



**PARTNERS**ALBANIA  
FOR CHANGE AND DEVELOPMENT

## Monitoring Matrix

on Enabling Environment  
for Civil Society Development

# COUNTRY REPORT

# FOR ALBANIA 2016

Project funded by  
The European Union



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Strengthening the Advocacy and  
Monitoring Potential and Capacities of CSOs

**Monitoring Matrix**

on Enabling Environment  
for Civil Society Development

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# I. Executive Summary

## Civil Society and Civil Society Development in Albania

The legal framework on basic legal guarantees of freedom for civil society organisations (CSOs) guarantees to all individuals and legal entities the right to establish, register, join and participate freely and without discrimination in any organisation being formal/informal, online and offline. In practice, this legal environment presents some problematic issues regarding the centralization of registration and re-registration process, long duration of the procedures and high financial cost for registration. There is still lack of official data on the number of CSOs, field of activity, geographical distribution, their legal form, number of employees and volunteers, annual turnover and sources of funding.

With regard to financial viability and sustainability, the civil society sector and CSOs, continue to be foreign donor dependent. The foreign donors remain the main financial source for CSOs, while the availability of public funds is considered insufficient for the CSOs sustainability and their operation. Transparency and accountability on the distribution of public funds from public institutions should be improved in order to address the needs of CSOs. Moreover, legal incentives for individual and corporate donations do not stimulate donations to CSOs.

Referring to fiscal/ tax treatment of CSOs, registration of CSOs automatically under the VAT scheme, while they are not subject of VAT, remains an unresolved issue. CSOs should present

a request to tax authorities to be unregistered from VAT. Also, a persisting problematic issue remains the VAT reimbursement for IPA projects and lack of reimbursement for other EU funded projects that are not included in the agreement between the Albanian Government and the EU Commission. This is considered a significant financial burden that limits the Albanian CSOs participation in these programs.

In April 2016, the Albanian Parliament approved the Law No. 45/2016 On Voluntarism, aiming to regulate the process of volunteering and increase citizens' non-profit activities for the wellbeing of another individual or the wider public. However, further legal acts regulating the relationships between the volunteer and the volunteering provider as: the register of volunteering contracts, volunteering booklet and the ethical code on voluntarism are to be approved.

Referring to the State – CSOs cooperation, in June 2016 was established the National Council for Civil Society, a consultative body aiming to guarantee institutional cooperation between the state and civil society in Albania. The Council has 27 members from government and CSOs and one of the first expected tasks of the Council is the development of the National Strategy for an Enabling Environment for Civil Society, and the monitoring of its implementation. The Council has still to prove itself as the main body that contributes to the creation of an enabling environment for CSOs.

The existing legal framework on public information and consultations, specifically the Law No. 119/2014 On the Right to Information and the Law No. 146/2014 On Notification and Public Consultation, guarantee the rights of citizens to access information that is produced or held by the public authorities. The laws guarantee as well that the public is consulted on draft laws, draft documents and on national and local strategies, as well as policies with high public interest, increasing so the transparency and public participation in policy and decision-making processes. Despite the positive impact of these laws have had so far, there are still improvements needed to ensure the effective consultation and participation of CSOs and the public in policy and decision-making. The correct implementation of these laws by public authorities requires also the establishment of the foreseen mechanisms.

The legal framework and the practice regarding CSOs involvement in the service provision is not encouraging, resulting in very few contractual agreements between the state and CSOs. The Law no. 65/2016, dated 9.6.2016, For Social Enterprises in the Republic of Albania, foresees forms of support for social enterprises such as state subsidies for the enterprises or employees in these entities, tax and donations. The Law encourages local government to stimulate participation of social enterprises in public tenders for social, health and cultural services. Legal acts pursuant to the law, that would enable the implementation of the law, are still to be developed and approved.

## Key Findings

This session addresses the key findings of the Monitoring Matrix Report on Enabling Environment for Civil Society Development in Albania 2016, based on the monitoring of the legal and regulatory framework in place and the practical impact of their implementation. The legal framework on the establishment and

functioning of CSOs did not change in 2016. Even this year registration and re-registration of CSOs remains problematic in terms of centralization registration/re-registration process at Tirana First Court of Instance, high cost, and lengthy procedures of registration.

The legal framework in place does not present any barrier to CSOs to freely seek and secure financial resources from domestic and foreign resources. Yet, the foreign donors remain the main financial resource for CSOs, both in terms of number of CSOs funded and the weight of foreign donor funds in the total incomes of CSOs.

The VAT Law which entered into force in 2015 provides tax free treatment for all grants supporting non-for-profit activity of CSOs. However, based on the experience of CSOs, the correct implementation of the fiscal legal framework affecting CSOs by state authorities and correct understanding of this framework by CSOs needs to be improved.

Law on Sponsorship is the only law regulating donations in Albania. According to the provisions in the law, the tax incentives for corporate giving are not conducive and do not stimulate donations towards CSOs, while individual donations are not included in the deduction schemes.

After several years of discussion, in April 2016 was approved The Law on Voluntarism. The law stipulates the main principles, conditions and criteria's for conducting voluntary work in Albania. The implementation of the law has been delayed, because the legal acts stipulated in the law are not developed and approved yet by the Council of Ministers.

The legal framework puts forward a requirement for consultation on draft laws and policies with the public. Yet, CSOs involvement in decision-making, which allow for CSOs input in a timely manner is not fully enabled in practice and CSOs are not effectively consulted and involved in policy and decision-making processes.

No	Top 6 findings from the Report	Reference to the Monitoring Matrix		Reference to the EU CS Guidelines	
		Area		Objective	
1	Registration and re-registration process for CSOs is not enabling in terms of: centralization of registration and re-registration, high costs, and prolonged time.	Area	1	Objective	1
		Sub-Area	1.1	Result	1.1
2	Foreign donors remain the main financial source for CSOs, in terms of number of CSOs funded, and the weight of their funds in the total funding of CSOs.	Area	1	Objective	
		Sub-Area	1.2	Result	
3	Proper implementation of the fiscal legal framework affecting CSOs by tax authorities, and lack of information among CSOs on fiscal treatment remains problematic.	Area	2	Objective	2
		Sub-Area	2.1	Result	2.3
4	The legal framework is not supportive and does not stimulate individual and corporate donations to CSOs. The level of tax incentives provided in the existing legislation does not motivate corporate donations, while there are no tax incentives for individual donations.	Area	2	Objective	2
		Sub-Area	2.2	Result	2.2
5	The Law on Voluntarism is not implemented since the legal acts regulating the relationships between the volunteer and the volunteering provider, as the register of volunteering contracts, volunteering booklet, and the ethical code on voluntarism, are not prepared and approved. There are no articles in the law stipulating how the fiscal aspect of volunteering will be regulated.	Area	2	Objective	1
		Sub-Area	2.3	Result	1.2.
6	CSOs are not effectively consulted and involved in policy and decision-making processes. Their recommendations are not taken into consideration without argument why, in violation of the Law on Notification and Public Consultation.	Area	3	Objective	3
		Sub-Area	3.2	Result	3.1

## Key Policy Recommendations

This section provides key recommendations based on the present legal and regulatory framework in place, and the experiences of CSOs.

One of the main key recommendations from this report remains the decentralization process of registration and re-registration of CSOs. The distance from the registration authority and the costs of registration should not be a barrier for individuals and entities to register a CSO.

Financial viability and sustainability of CSOs operations continue to be as a weakness of the sector, therefore concrete actions should be taken to improve it. In addition to increased public funds for CSOs, creation of an enabling environment for development of philanthropy and stimulation of individual and corporate donations to CSOs is needed.

Tax treatment regime is one of the most crucial elements in the operation of CSOs. Despite devel-

opments in the preparation of a legal framework that present facilities and easy reporting requirements for CSOs, further clarifications accompanied with correct implementation of the legal framework by tax authorities and correct understanding by CSOs are needed.

The approval of the law on voluntary in 2016, as one of the priority areas of the Road Map for Albanian Government for Drafting Policies and Measures for Enabling Environment to Civil Society, is one of the first steps for the development of volunteerism in the country. Completion of the legal framework with legal acts foreseen in the law is required for the implementation of the law.

It is the first year of establishment of the National Council for Civil Society and further communication and interaction among its members with other CSOs is needed in order to increase effectiveness of the work of the Council.

There are improvements noted through the consultation and involvement of CSOs in policy and

decision making processes, regarding the number of consultations organized and number of CSOs invited and participating. However, real involvement of CSOs in decision-making processes remain limited, and in most cases there is no infor-

mation provided on the results of consultations and argumentation on why the recommendations are not taken into consideration, in violation of the Law no. 146/2014 On Notification and Public Consultations.

No	Top 6 recommendations for Reform	Reference to the Monitoring Matrix		Reference to the EU CS Guidelines	
		Area		Objective	
1	Decentralization of registration and re-registration process of CSOs at local level.	Area	1	Objective	1
		Sub-Area	1.1	Result	1.1
2	Creation of an enabling legal and practical environment to encourage individual and corporate donations to CSOs, through recognition and clarification of philanthropic donations by the legal framework, revision of fiscal incentives for donors, and the establishment of cooperation platforms between CSOs and business sector.	Area	2	Objective	2
		Sub-Area	2.2	Result	2.2
3	Proper implementation of the legal fiscal regime for CSOs through: (a) increased understanding of public officials and tax officials on the nature, role and value of CSOs; (b) increased information and awareness of CSOs on state reporting requirements and rules.	Area	2	Objective	2
		Sub-Area	2.1	Result	2.3
4	Increased effectiveness of the work of the National Council for Civil Society through a better interaction among its members and with other CSOs.	Area	3	Objective	
		Sub-Area	3.1	Result	
5	Increased effective involvement of CSOs in policy and decision-making processes through proper implementation of the Law on the Right to Information and the Law on Notification and Public Consultation by the public authorities, subject of the laws.	Area	3	Objective	3
		Sub-Area	3.2	Result	3.1
6	Completion of the legal framework on Voluntarism through preparation and approval of the legal acts regulating the relationships between the volunteer and the volunteering provider, as the register of volunteering contracts, volunteering booklet, and the ethical code on voluntarism by the Ministry of Social Welfare and Youth. Revision of the fiscal legal framework to regulate tax treatment of volunteering activity is needed.	Area	2	Objective	1
		Sub-Area	2.3	Result	1.2

# About the project and the Matrix

This Monitoring Report is part of the activities of the “Balkan Civil Society Acquisition-Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs” project funded by the European Union (EU) and the Balkan Trust for Democracy (BTD). This Monitoring Report is the first of this kind and is published on a yearly basis since 2013. The monitoring is based on the Monitoring Matrix on Enabling Environment for Civil Society Development (CSDev) developed by BCSDN and ECNL. It is part of a series of country reports covering 7 countries in the Western Balkans and Turkey. A Regional Monitoring Report is also available summarizing findings and recommendations for all countries and a web platform offering access to monitoring data per country and sub-area at [www.monitoringmatrix.net](http://www.monitoringmatrix.net).

The Monitoring Matrix presents the main principles and standards that have been identified as crucial to exist in order for the legal environment to be considered as supportive and enabling for the operations of CSOs. The Matrix

is organized around three areas, each divided by sub-areas: (1) Basic Legal Guarantees of Freedoms; (2) Framework for CSOs’ Financial Viability and Sustainability; (3) Government – CSO Relationship.

The principles, standards and indicators of the toolkit have been formulated with consideration of the current state of development of the sector and the diversity in the countries of the Western Balkans and Turkey. They rely on the internationally guaranteed freedoms and rights and best regulatory practices at the European Union level and in European countries. The Matrix aims to define an optimum situation desired for civil society to function and develop effectively and at the same time it aims to set a realistic framework which can be followed and implemented by public authorities. Having in mind that the main challenges are faced during implementation, the indicators are defined to monitor the situation of the legal framework and its practical application.

## II. Introduction

### About the Monitoring Report

As part of the projects “Balkan Civil Society Acquis – Strengthening the Advocacy and Monitoring potential and Capacities for Civil Society Organisation” Partners Albania carried out for the fourth consecutive year the research to develop the Monitoring Matrix Report 2016 (MM Report 2016).

The scope of this monitoring report is to give an overview of issues concerning the enabling environment of CSOs in Albania, including legal and practical framework, and to provide recommendations on how these issues can be addressed and tackled down.

The MM Report 2016 prepared by Partners Albania is based in the review of Albanian legislation, policies, studies, and reports used to evaluate the legal indicators of the Monitoring Matrix Toolkit, as well as a survey, depth interviews and consultative meetings with CSOs to evaluate the practice indicators of the Monitoring Matrix.

### The Monitoring Matrix on Enabling Environment for Civil Society Development

The overall objective of the project is to strengthen the foundations for monitoring and advocacy on issues related to enabling environment and sustainability of civil society at regional and country level and to strengthen structures for CSO integration and participation in EU policy and accession process on European and country level.

This Monitoring Report is part of the activities of the “Balkan Civil Society Acquis – Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs” project funded by the EU and the Balkan Trust for Democracy (BTD).

This Monitoring Report is the first of this kind and is published on yearly basis since 2013. The monitoring is based on the Monitoring Matrix on Enabling Environment for Civil Society Development (CSDev). It is part of a series of country reports covering 7 countries in the Western Balkans and Turkey. A Regional Monitoring Report is also available summarizing findings and recommendations for all countries and a web platform offering access to monitoring data per country and sub-area at [www.monitoringmatrix.net](http://www.monitoringmatrix.net).

The Monitoring Matrix presents the main principles and standards that have been identified as crucial to exist in order for the legal environment to be considered as supportive and enabling for the operations of CSOs. It underscores the fact that enabling environment is a complex concept, which includes various areas and depends on several factors and phases of development of the society and the civil society sector.

This Matrix does not aim to discuss all enabling environment issues, rather it highlights those that the experts have found to be most important for the countries which they operate in. Therefore, the standards and indicators have been formulated with consideration of the current state of development of the sector and diversity in the countries of the Western Balkans and Turkey. They have been drawn from the experiences of the CSOs in the countries in terms of

The Matrix is organized around three areas, each divided by sub-areas:

1. Basic Legal Guarantees of Freedoms;
2. Framework for CSOs' Financial Viability and Sustainability;
3. Government – CSO Relationship.

the legal environment as well as the practice and challenges with its implementation. The development of the principles, standards and indicators has been done with consideration of the internationally guaranteed freedoms and rights and best regulatory practices at the European Union level and in European countries.

The areas are defined by key principles which are further elaborated into specific standards. In order to enable local CSOs, donors or other interested parties to review and monitor the legal environment and practices of its application, the standards are further explained and measured through indicators. The full Matrix is available at [www.monitoringmatrix.net](http://www.monitoringmatrix.net).

The development of the Monitoring Matrix on Enabling Environment for CSDev was part of a collective effort of CSO experts and practitioners from the BCSDN network members and partners and with expertise and strategic support by ECNL. The 11-member expert team from 10 Balkan countries, spanned a variety of non-profit and CSO specific knowledge and experience, both legal and practice. The work on the Matrix included working meetings and on-line work by experts, which was then scrutinized via stakeholder focus group and public consultations. The work on the development of the Matrix was support-

ed by USAID, Pact. Inc, and ICNL within the Legal Enabling Environment Program (LEEP)/Legal Innovation Grant and Balkan Trust for Democracy (BTD).

In addition to in-depth and qualitative monitoring, in 2015 it was introduced the 5-grade scale “traffic light” codes ranging from (1)-fully disabling environment to (5)-fully enabling environment code and (0)-No data available/Missing. The system was created in order to address the need for ‘compressed’ and effective visual communication of findings and systematic presentation of changes in the enabling environment for CSDev on the level of standards across countries and years. This system does not replace, but complements the qualitative assessment, as the narrative country reports are the basis on which the categorization is conducted. Furthermore, the introduction of the categorization system enables standardization of quality of the Country and Regional Reports and contributes to more effective evaluation of indicators with the Monitoring Matrix Tool-kit. While quantitative elements are used in order to make aggregations of scores technically possible, the visual representation of all is provided only with descriptive category labels. Table 1 presents the categories with the descriptive category labels and scores assigned for each, both for legislation and practice.

Category/code	Legislation	Practice	Score
Fully disabling environment	Legislation is fully restrictive and against MM standards <sup>1</sup> . It is restrictive to the operation of CSOs and their representatives and seriously obstructs or hampers their work.	In practice, MM standards are severely restricted or violated and the operation of CSOs and the work of their representatives are hampered. Malpractices and restrictions are common, threats to CSOs/their representatives exist and are heavily affecting their work.	1
Disabling environment	Legislation is restrictive and not in line with MM standards. It is hampering, making difficult the operation of CSOs and the work of their representatives, but still allow some space for operation of CSOs and work of their representatives.	In practice, MM standards are not met/ not satisfied. CSOs are hampered; face substantial challenges and obstacles in their operation, but despite serious difficulties CSOs and their representatives can still operate.	2
Partially enabling environment	Legislation partially meets/satisfies MM standards, and there are still some minor legal restrictions or issues which are not regulated.	In practice, MM standards are partially met / satisfied. Severe violations are not common but minor restrictions and difficulties in the work of CSO/representatives are reported.	3
Enabling environment	Legislation is in line with MM standards.	In practice, MM standards are respected/ satisfied. No or very few cases of smaller breaches, restrictions or hampering of the operation of CSOs/their representatives have been reported.	4
Fully enabling environment	Legislation is fully in line with MM standards. There can even be cases of legislation surpassing standards and principles enshrined in the MM.	In practice, MM standards are fully respected/ satisfied, and implementation of the legislation is a routine process from all parties involved. There are cases of best practices which surpass the standards and principles enshrined in MM standards.	5

## Civil Society and Civil Society Development (CSDev) in Albania

Based on the legal framework, Albania does have three non – for – profit organisational forms, which are associations, foundations and centers. Civil Society Organisations play an important role in the society through offering a wide range of services, promotion of public participation in designing and implementing public reforms, and the improvement of accountability and transparency at the public sector. Most of the CSOs are based on the larg-

est cities, such as Tirana, Shkodra, Vlora, etc.<sup>2</sup>, and their operations are spread all over the country. Small organisations are still under-represented and most of the CSOs have project-based staff.<sup>3</sup>

One of the challenges encountered during these three decades with regard to CSOs is the lack of official data related to establishment and operation of civil society organisations.

- 1) Monitoring Matrix standards are developed with consideration of internationally guaranteed freedoms and rights as enshrined in international law and best regulatory practices at the regional level.
- 2) This information is provided by the Register of CSOs published at the Agency for the Support of Civil Society <http://www.amshc.gov.al/web/ojf/>
- 3) CSOs Sustainability Index Report 2015, pg. 15 [https://www.usaid.gov/sites/default/files/documents/1861/Europe\\_Eurasia\\_CSOSIReport\\_2015\\_Update8-29-16.pdf](https://www.usaid.gov/sites/default/files/documents/1861/Europe_Eurasia_CSOSIReport_2015_Update8-29-16.pdf)

The figures provided by state authorities on the number of registered CSOs are contradictory. The total number of CSOs, including foundations, association and centers, registered at the Tirana Court of First Instance is 7,036<sup>4</sup>. On the new registered CSOs, compared with the previous year there is a decrease in the number. From 489 registered in 2015 to 307 in 2016, where respectively in 2016 are registered 221 associations, 60 centers and 26 foundations. According to the data provided by the General Directorate of Taxation<sup>5</sup>, the total number of CSOs registered is 3,720, while 283 CSOs are registered in 2016.

The Financial Viability and Sustainability remains a key challenge for CSOs. The sector is donor depending, and the foreign donor support constitutes the main source of financial income. The Agency for the Support of Civil Society remains the main public institution aiming the encouragement, through financial assistance, of a sustainable development of civil society and the creation of favorable conditions for civic initiatives to the benefit of public. However, as shown from the annual MM Reports (2013, 2014, 2015, and 2016) public funding is considered insufficient to sustain CSOs actions. Financial support for institutional development of CSOs is not yet applied by the Agency, even though it is one of the types of support that the Agency should provide.

During the last three years, the Albanian Parliament and the government have approved some laws and developed strategies to increase the dialogue and cooperation with the CSOs, as: The Resolution for the Recognition and Strengthening the Role of Civil Society; The Law on the Right to Information; The Law on Notification and Public Consultation; The Road Map of Albanian Government for Drafting Policies and Measures for Enabling Environment to Civil Society; The Law on the Establishment and Functioning of the National Council for Civil Society. These initiatives have contributed to increased consultation and cooperation between the state and the CSOs, however further improvements in the legal framework and its im-

plementation in practice are needed to ensure a meaningful dialogue and involvement of CSOs in policy and decision making.

### **Specific features and challenges in applying the Matrix in Albania**

From the launch of the monitoring cycle in 2013, PA aimed at a participatory and inclusive process while carrying out the research for the preparation of the MM Report, presenting and discussing the Matrix with a large number of CSOs representatives all over the country. A number of 300 CSOs from 14 municipalities in Albania have been contacted and asked for their input in the survey for the preparation of the MM Report 2016, out of which only 96 CSOs responded and participated in the survey.

The survey with CSOs was conducted through a standard questionnaire, highlighting indicators of the practical level of the Monitoring Matrix on Enabling Environment for CSOs. In-depth interviews were conducted after the survey to explore contradicting issues or areas where further information or clarifications were needed for the purpose of a comprehensive analysis.

Considering the challenge with the availability of official data on the sector (number of CSOs, form of registration, geographical distribution, proportion according to their field of activities, etc.), PA sent official requests for information to Tirana First Court of Instance and the General Directory of Taxation on the number of CSOs registered within these authorities for the period of December 2015 - September 2016.

Official requests for information on distribution of public funding to CSOs, and consultation processes were sent to all ministries, and to the Albanian Parliament on the consultation of draft-laws.

The intensity of work in a limited timeframe was a challenge for the survey team involved with data collection and survey administration.

4) The information is received upon a request for information by Partners Albania

5) The information is received upon a request for information by Partners Albania

## Acknowledgements

The MM Report 2016 on Enabling Environment for Civil Society Development, Country Report for Albania was prepared with collaborative effort and generous support of CSOs, experts and individuals.

Partners Albania would like to express its gratitude to the executive directors and high level managers of CSOs, who participated in the survey for their co-operation, contribution and time devoted.

Partners Albania acknowledges the cooperation and correctness of public institutions that responded to PA requests for information and provided the required information.

Partners Albania would like to express its gratitude to Balkan Civil Society Development Network (BCSDN), the European Centre For-not-For Profit Law (ECNL) for their support in the development, orientation and implementation of this monitoring exercise.

## III. Methodology

### Overview of the methodological approach

The work for the preparation of the MM Report 2016 was carried out during September 2016 – December 2016. Partners Albania employed a set of methodological tools, including desk research, acquiring primary data and information through questionnaires with representatives of CSOs, in depth interviews, and consultations with Executive Directors and high level managers of CSOs. The overall goal was to monitor the legislation and practice indicators of the MM, aiming to identify progress or regress in the enabling environment, including overall climate, legislation and its effective implementation for the operation of CSOs in Albania.

The methods for the preparation of the MM Report 2016 included as follows:

#### 1. Desk Research

Since the Monitoring Matrix includes indicators for the evaluation of legislation and the practice, the literature review was carried out during the year, through:

Legislation review – aiming to monitor the legal framework and regulations drafted and approved during 2016 for an enabling environment for CSOs. It included an overview and analysis of Albanian legislation (including implementation of regulations), as well as analysis of the implementation of international conventions and regulations adopted by Albania.

Assessment of the practice indicators based on secondary data, such as: media reports; progress reports prepared by donors, international organisations, and national agencies – aiming to

identify the implementation of legislation in practice.

Official Requests for information to public institutions - Due to the lack of official data publicly made available by state institution, Partners Albania sent an official request for information to all ministries inquiring information on public consultations with CSOs and financial and non-financial support provided to CSOs. Request for information was sent to Albanian Parliament on the number of draft-laws and draft-policies consulted with CSOs. An official request for information was sent to the Tirana First Court of Instance and Tax Authorities about the number of the organisations that are registered in 2016.

#### 2. Survey

The survey was conducted through the administration of a semi-structured questionnaire with 96 CSOs in 14 municipalities. The questionnaire was administered via telephone and email with executive directors and high level managers of CSOs during October - November 2016. The questionnaire was divided in four main sections: one section for demographic data of the respondent and CSO and one section for each area of the Monitoring Matrix: basic legal guarantees of freedoms, financial viability and sustainability of CSOs, and Government-CSO relationship. The semi-structured questionnaire had a combination of closed and open-ended questions, aiming to gather as much information as possible on both perception and experience of the respondents on the indicators monitored. The information gathered from the questionnaires was processed and analyzed through SPSS and excel.

After processing the data, PA carried out in depth interviews and consultations with selected representatives of CSOs addressing tailored questions aiming to discuss the findings and further investigate the cases and information provided in the questionnaires.

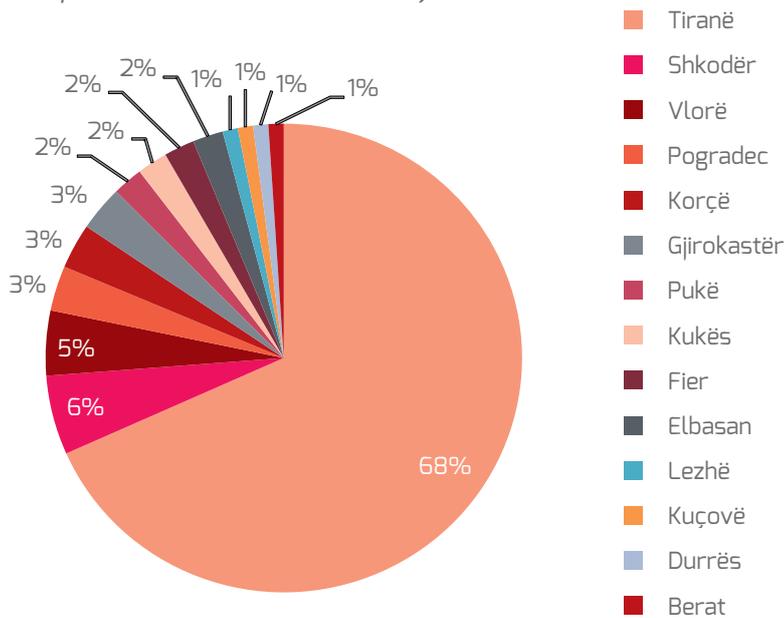
The survey was conducted with CSOs from 14 municipalities. The selection of CSOs was based on a not-probability sampling combining purposive and convenient sampling. Graph 1 presents the geographical distribution of the organisations that participated in the survey.

All the findings for the practice indicators are based on the information and detailed comments from the surveyed CSOs regarding the implementation of the legal framework.

### Participation of the CSOs community

Partners Albania utilized its own database of CSOs to inform and invite CSOs to participate in the preparation of the MM Report 2016.

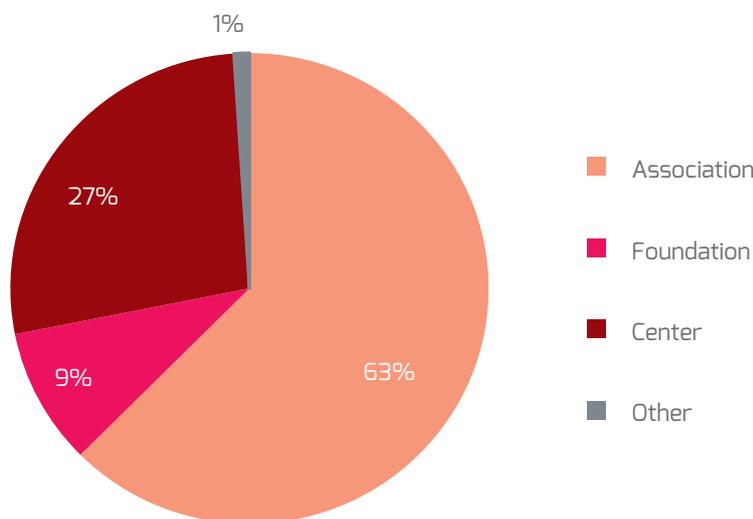
Graphic 1. Map of the distribution of surveyed CSOs



With regards to the legal form of registration, the sample is composed of 63% associations, 27% centers, and 9% foundations and 1% other

form,<sup>6</sup> reflecting the proportions of registered CSOs, as shown in Graph 2.

Graphic 2. Form of registration of surveyed CSOs

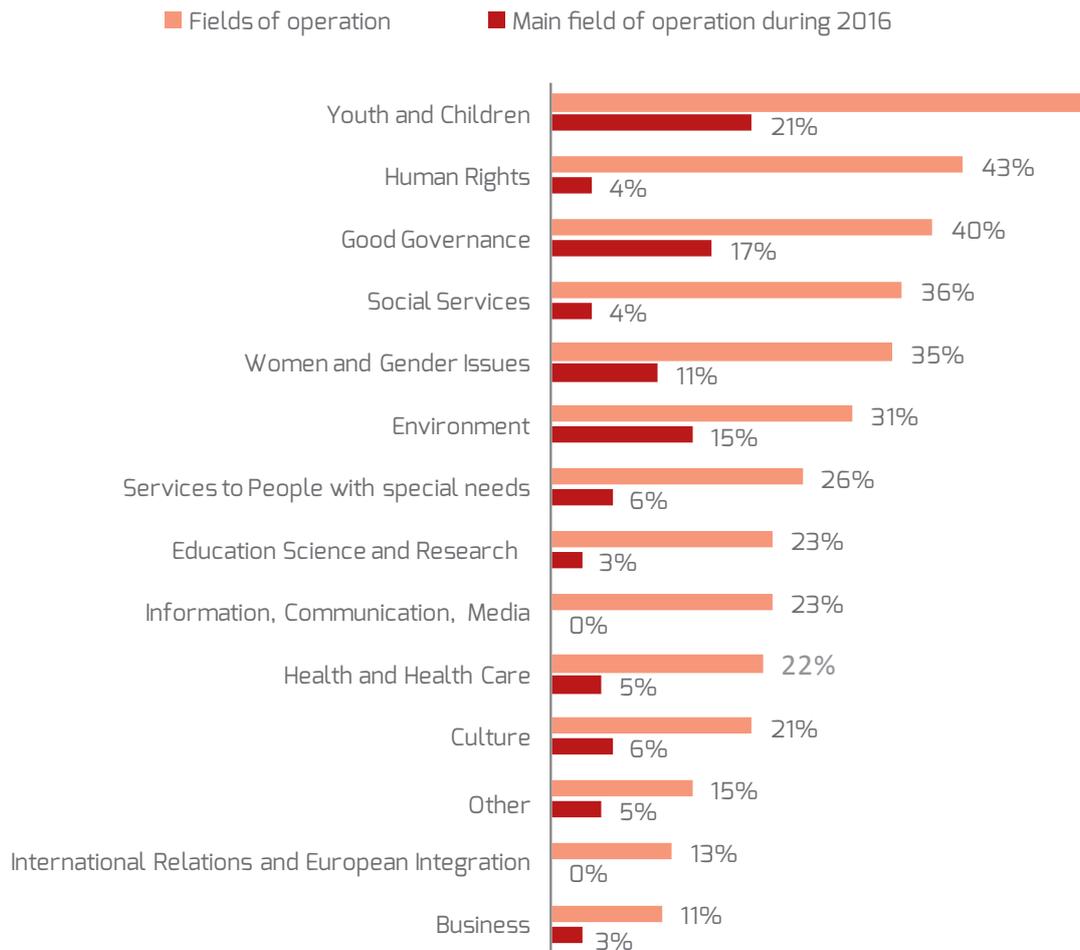


6) Other form consists on groups of individuals that are not registered as CSOs (Regional Youth Council of Kukës)

Based on their responses with multiple choice, in the Graph 3 below are configured the fields of operation and the main field of operation of the surveyed CSOs in 2016. As the graphic shows, there is a domination of CSOs working in the areas of youth and children (60% of CSOs), followed by CSOs working in human rights and good governance programs (43%). Regarding the main field of operation in 2016, youth and children pro-

grams, represent the main area of work for 21% of surveyed CSOs, followed by good governance as the main area of work for 17% of surveyed CSOs, and environment as the main area of work for 15% of surveyed CSOs. Information, communication, media, international relations and European Integration are not selected by any of the surveyed CSOs as their main field of operations in 2016.

Graphic 3. Fields of work of surveyed CSOs



### 1. Lessons-learnt

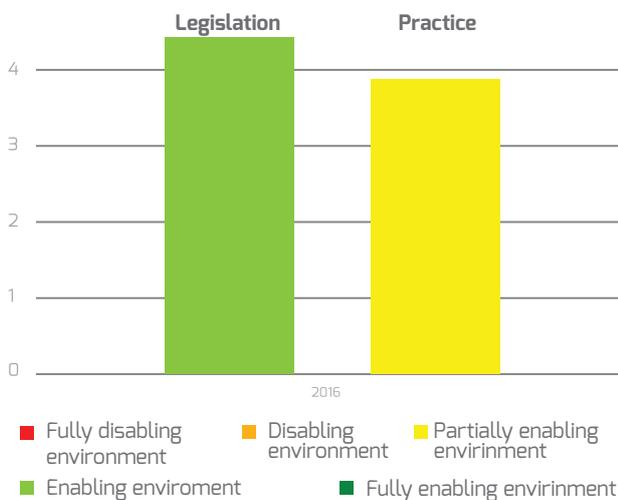
- The revised questionnaire used for data collection with CSOs this year was longer than previous years. The updated questionnaire helped in collecting more detailed and qualitative information for the measurement of the practice indicators of the matrix, but somehow prolonged and complicated the process of interviewing and responses by CSOs.
- In-depth interviews conducted in the second phase proved again the importance of validation of information from high level managers of CSOs, which verified the cases of unclear information and represented an accurate presentation of the situation for the evaluation of the matrix indicators.

## IV. Findings and Recommendations

### Area 1: Basic Legal Guarantees of Freedoms

#### Sub-area 1.1.: Freedom of association

**Standard 1:** *All individuals and legal entities can freely establish, join and participate in informal and/ or registered organisations offline and on-line*



#### Legislation:

The legal framework for the establishment of and participation in CSOs has not been subject to amendments in 2016. The Civil Code of the Republic of Albania, Law on “For Non-Profit Organisations”, and Law “For the registration on Non-Profit Organisation” are the main laws governing the establishment and registration of CSOs in Albania. The freedom of association is guaranteed by the Albanian constitution and other laws and is exer-

cised freely by individuals and legal entities to establish, and participate in organisations. This freedom is extended to any individual and legal entities without discrimination regardless of their nationality, gender, age, etc.

CSOs can freely establish and/or join networks online and offline, inside and outside the country without prior notification to state authorities, and freely use internet, social media and web-based platforms to inform the public without any intervention from the state.

Registration and re-registration of all CSOs in Albania is done at Tirana First Court of Instance, making the registration process centralized and expensive (notary and lawyer expenses and time consumption). The decisions for changes on the act of establishment with respect to the name, symbol, object, purpose, field of activity of the non – profit organisations, as well as decision to transform it into another form of non-profit organisation, should be submitted to the Tirana First Court of Instance within 30 days from the day when the decision was taken<sup>7</sup>.

The legal framework stipulates that the organisation may be dissolved by its own decision or by a Court Decision. In the latest case, the court may dissolve a CSO activity upon the request of the members of CSO, decision-making bodies of the CSO, and when the activities of the CSO are against the Albanian constitution, it exercises illegal activity, is declaring bankruptcy and when the CSO is not established in compliance with the legal framework.

7) Law no. 8788, date 17.05.2001 “For the Non – Profit Organization”, article 16

**Practice**

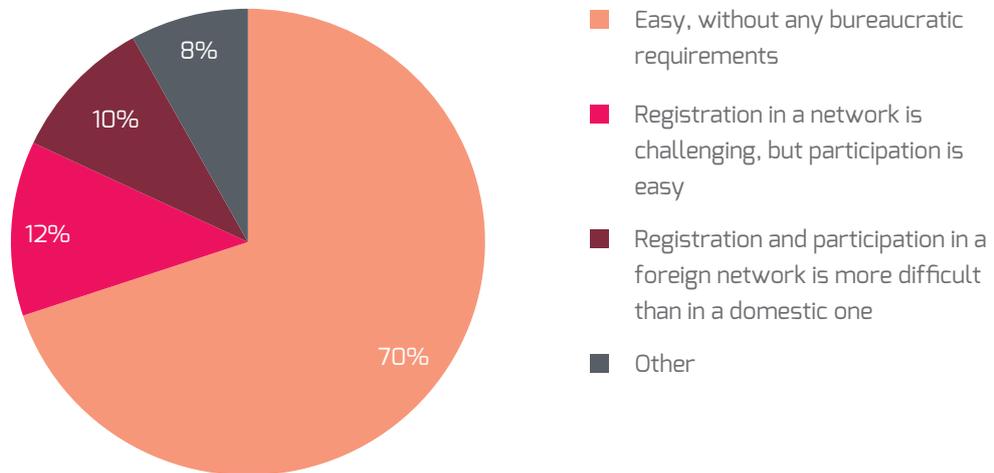
In general, the freedom of association is exercised freely by individuals and legal entities that can freely establish, and participate in organisations. Registration is not mandatory, and the practice shows that there are examples of informal groups, that are not registered, but are very active, as the Youth Regional Council of Kukës.

The surveyed CSOs that have been registered between December 2015 and September 2016 (7 out of 96 surveyed CSOs) consider the registration process easy and the administrative requirements not burdensome. Problematic issues remain with the duration of the registration process that varies

from 25 days up to two months, longer than the time of 15 days requested by the law. The cost for registration, that varies from 7,000 ALL (approx. 50 EUR) to 30,000 ALL (approx. 220 EUR), remains the main challenging issue reported by these organisations.

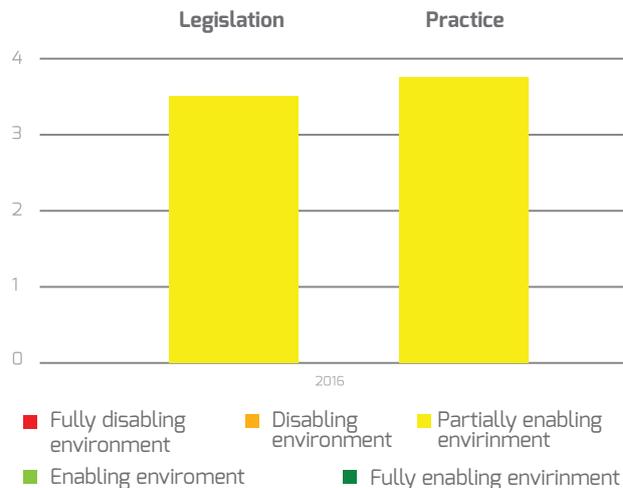
It is encouraging the fact that there are a high percentage of the surveyed CSOs (77%) that have been registered and participated at least at one domestic or international network during 2016. As shown in the graph below (Graph 4) most of these organisations are reporting an easy registration and participation process in the networks, without any extensive bureaucratic requirements.

*Graphic 4. Registration and Participation of surveyed CSOs in a Network*



Very few organisations (3%) consider that it is difficult to participate in a network because of the difficult rules and procedures applied by the network, based on their experience.

**Standard 2: CSOs operate freely without unwarranted state interference in their internal governance and activities**



8) Law no. 8789 dated on 07.05.2001 "For the Registration on Non-Profit Organizations", Article 7.  
 9) Law no. 9228, dated 29.04.2004 "On Accounting and Financial Statements"  
 10) Law no. 112/2015, date 15.10.2015 "For Public Financial Inspections", Official Gazette 186/2015

### Legislation:

CSOs are autonomous from the state and the Law “For the Registration on Non-Profit Organisations”<sup>8</sup> stipulates that CSOs operate freely without state interference in their internal governance and activities.

The accounting and financial reporting regulations for CSOs in Albania are provided by the Accounting Law<sup>9</sup>, Law on Public Financial Inspection<sup>10</sup>, Directive on Supervision from Tax Authorities in Support of Prevention of Money Laundry and Financing of Terrorism<sup>11</sup> and the Directive of the National Accounting Standard for Non-Profit<sup>12</sup> (NAS for CSOs).

The National Accounting Standard for Non-Profit Organisation, which entered into force in January 2016, has introduced clear and easy procedures to the financial reporting and accounting rules to be followed by CSOs, proportionally to the size of the organisation. The standard also provides CSOs with standard formats of reporting. Active organisations should submit the annual financial statements to the tax administration through on-line system by March 31 of the following year.

### Practice:

At practice level, only 8 out of 96 of the surveyed CSOs expressed that they have faced state pressure/ unlawful interference in their internal matters. The forms of pressure/ unlawful state interference include:

1. Unjustifiable limitation related to organisation’s operation;
2. Illegitimate attack on the organisation;
3. Announced excessive inspections;

CSOs that have expressed these forms of pressure/ unlawful state interference are mainly “watchdog” organisations that publish and highlight corruptive practices by the elected officials or public servants. Exc. BIRN Albania, a media organisation which is specialized in investigative reporting, publishing and media monitoring, has endured pressures and attacks by public servants and elected officials not to publish the corruption cases investigated.

Almost half of the surveyed CSOs (43%) consider that the financial and reporting requirements applied by the state are easy and clear, and 39% of the surveyed CSOs consider that these requirements are proportionate to the size and the type of the organisation.

In regards to sanctions received in 2016, 15% of the surveyed CSOs expressed that they have been subject of at least one sanction. Most of the sanctions are as a result of delays in declarations to the tax authorities and/or to the labor office. A problematic issue experienced by some of the organisations is related with the online system for declarations of the Tax Authority. Even though these organisations have paid taxes and reported on time to the tax authorities, they have been subject of fines, because the system has not reflected their declarations. For some organisations, this has resulted problematic as has excluded them from participating in Calls for Proposals.

Compared to the MM report 2015, it is noticed that there is a similar percentage of surveyed CSOs that have been subject of sanctions in these years (19% in 2015, and 15% in 2016). The reasons remain the same and in most of the cases are related with the delays in online reporting by CSOs. Most of the surveyed CSOs (78%) consider the sanctions as not proportionate to the type of violation.

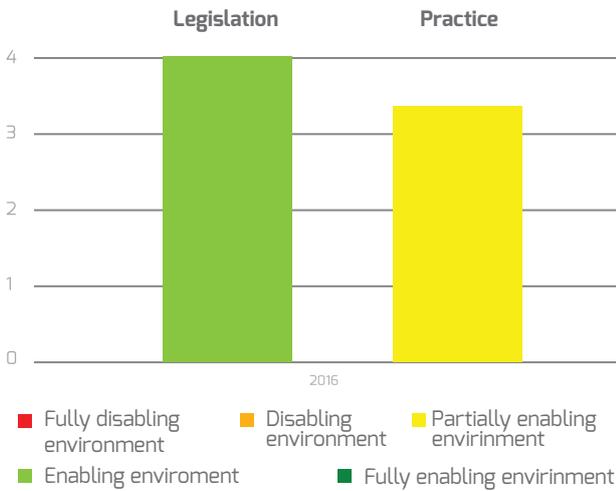
All surveyed CSOs that have been subjects to fines have knowledge of their right to appeal the sanction, but only 58, 5% of them have exercised this right. The reason why 41, 5% of surveyed COS have not exercised the right to appeal for the fines received is related with the lack of trust to the appeal bodies.

11) Directive no 22, date 19.11.2014 “For the Supervision of CSOs from Tax Authorities in Support to Prevention of Money Laundry and Financing of Terrorism”.

12) Directive no 62, date 17.09.2015 “For the Announcement of the National Accounting Standards for Non – Profit Organization and for its Mandatory Application” issued by the Ministry of Finance, Official Gazette 171/2015

**Standard 3:** CSOs can freely seek and secure financial resources from various domestic and foreign resources to support their activities.

wages, payment, remunerations and compensations that derives from an employment contract or another contract similar to it<sup>14</sup>.



The legislation does not limit the freedom of CSOs to seek and secure financial resources from foreign public and private sources. The Law On Non Profit Organisations allows CSOs to receive funding from individuals, corporations and other sources, including private or commercial persons, foundation or other legal entities, agencies, etc.

Endowments are not mentioned as a source of incomes in the legal framework for CSOs.

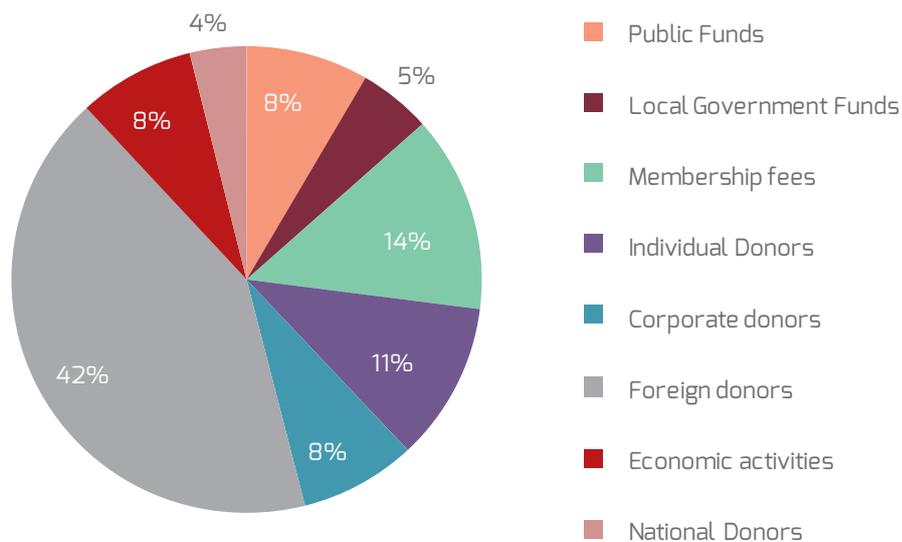
**Legislation:**

The Law “On Non-Profit Organisation”<sup>13</sup> does not impose any barrier for CSOs to secure financial resources, having them from either domestic or foreign origin. The sources of income are from dues (membership fee), grants, economic activity, individuals and corporate donations. The economic activity has to be related to the mission and purpose of the organisation and no form of distribution is permitted to the persons who are subject of the charter or the act of establishment, except for obligations in the form of salary,

**Practice:**

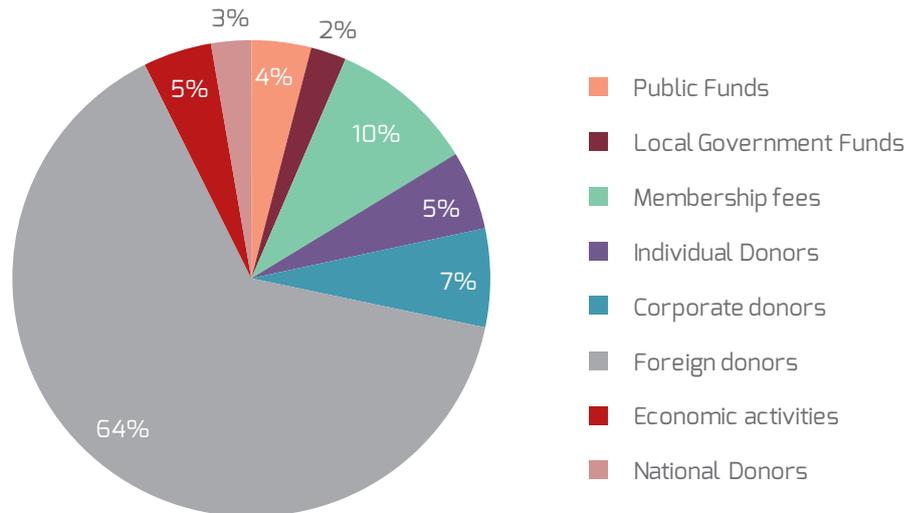
Although CSOs can freely seek funds from different sources, in practice they do not use this opportunity at a large scale. Compared to the previous years, the situation remains the same with the foreign donors being the main source of funding for the surveyed CSOs, and the sole source of funding for 30% of the surveyed CSOs. In average, as shown in Graph 7, funds from donors compose 64% of the total budget of surveyed CSOs, with a considerable difference with the other sources that remain at low levels. All surveyed CSOs that have received funds from foreign donors in 2016 declared that they did not face any challenge from the state when receiving these funds.

Graphic 5. Sources of funding for surveyed CSOs



13) Law no 8788, dated 07.05.2001, “On Non-Profit Organization”, amended, Article 38  
 14) Law no 8788, dated 07.05.2001, “On Non-Profit Organization”, amended, Article 38

Graphic 6. The weight of each source of funding in the total budget of surveyed CSOs



Public funding, similar with the previous MM Reports, remains an insignificant source of funding. As shown in Graph 5, only 14% of the surveyed CSOs have received public funding during 2016, and only 7% of them have received funds from local government. In average, as shown in Graph 6, public funds compose only 4% of the total funding of the surveyed CSOs, and funds from local government only 2%. None of the surveyed CSOs have used passive investment or endowment as a financial resource.

Incomes from economic activity are limited to only 14% of the surveyed CSOs, as shown in Graph 5, and the weight of these incomes in the total funding of the surveyed CSOs is 5% in average, as shown in Graph 6. There are several

challenges faced by the organisations that try to generate funds from their economic activity, as:

1. Extensive administrative requirements;
2. Limited capacities and know-how to engage in economic activities;
3. Complicated/ burdensome tax treatment.

Funding from individual and corporate donations is also at limited levels for CSOs. 31% of the surveyed CSOs have received funds from individual donors (17%) and corporate donors (14%) in 2016. In average, these donations compose only 12% of the total funding of the surveyed CSOs. The procedures to benefit from individual and corporate donations are considered in general as easy, with no unnecessary cost or administrative burden for CSOs.

**Sub-area 1.1.**, reflects also the assessment of the following indicators of the EU CS Guidelines 2014 – 2020

#### 1.1.a. Quality assessment of existing legislation and policy framework

- All gaps in the national legislation and policy framework with regard to registration of CSOs are identified.
- Lengthy registration processes from 25 days up to 2 months, by exceeding the period of 15 days as the maximum period established by the law.
- Centralization of registration and re-registration, and high cost for registration (50 – 220 EUR) remain some of the challenges presented by the existing legislation for registration of CSOs.



►► **1.b. Progress of the adoption and implementation of relevant legislation**

- There is no progress in the adaptation and implementation of relevant legislation with regards to registration, termination, and dissolution of CSOs.

**1.3.a. Quality of the enabling environment for grass-roots organisations**

Grass roots organisations are not recognized as a specific type of CSOs by the legal framework in Albania, therefore there are no special policies and rules applied for this type of organisations. The existing environment for CSOs development affects equally all CSOs.

**2.1.a. CSOs' perception of the ease and effectiveness of financial rules and reporting requirements (disaggregated by type / size of CSO)**

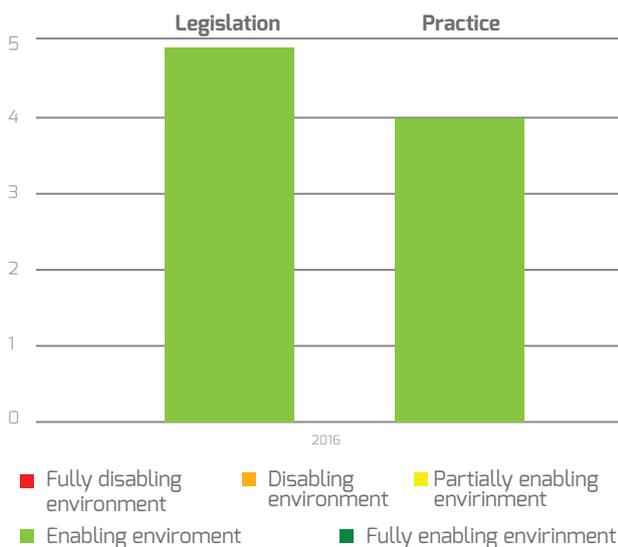
In 2016, the National Accounting Standard for Non - Profit Organisation has introduced easy-to-meet financial rules and reporting requirements for CSO. The perception of 82% of the surveyed CSOs is that the financial and reporting requirements are easy, clear and proportionate to the size and type of the organisation.

**2.1.b. Quality assessment of financial rules (with the focus on built-in mechanisms that financial rules and obligations change as the turn-over and non-commercial activities change)**

- The National Accounting Standard for Non Profit Organisations presents simplified reporting rules and requirements for smaller organisations with annual revenues below 5 million ALL (approx. 35,700 EUR).

### Sub-area 1.2 Related-freedoms

**Standard 1:** CSOs representatives individually or through their organisations, enjoy freedom of peaceful assembly.



#### Legislation:

The legal framework in Albania guarantees the right to enjoy the freedom of peaceful assembly, as it is stipulated in the Albanian Constitution<sup>15</sup> and specified in the Law on Assembly<sup>16</sup>. It is in line with international standards and provides the right of freedom of assembly to all, individuals and legal entities, without discrimination. Every citizen has the right to organize and/or participate in peaceful and non-armed assemblies.

Assemblies at open public spaces can be organized without prior notification to the police office. For the cases when the law stipulates prior notification for assemblies organized in public spaces and public passages, the procedures are clear and not burdensome for those who want to hold an assembly.

The law on assemblies stipulates that in cases of restrictions or limitations of an assembly, the organizers have the right to appeal<sup>17</sup> the decision issued by the authorities for limitation of an assembly.

15) Constitution of the Republic of Albania, Article 46 & 47

16) Law no. 8778, dated 23.04.2001 "On Assemblies"

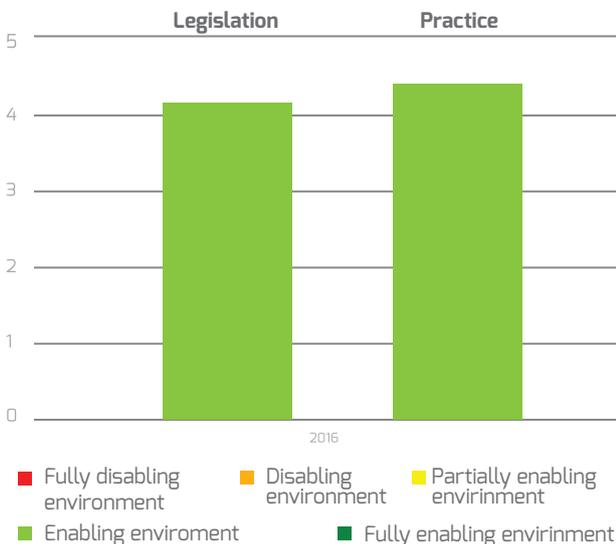
17) Ibid, article 25

### Practice

52% of the surveyed CSOs have participated in at least one assembly organized in 2016, and 18% of them have also been the organizer of an assembly. The majority of the CSOs which have organized or participated in an assembly (86%) assessed that there are no challenges faced during the organisation or participation in a peaceful assembly.

Spontaneous assemblies have been organized by 24% of CSOs, without prior notification to the state authorities. There are no cases reported by the surveyed CSOs on the interference by state police during assemblies.

**Standard 2:** *CSO representatives, individually or through their organisations enjoy freedom of expression*



### Legislation

Freedom of expression is a fundamental freedom and the Albanian constitution and other relevant laws are in line with international human rights law, guaranteeing individual liberties including the right to privacy, freedom of expression and sanctions against incitement of hatred. The freedom of expression is a constitutional right<sup>18</sup>. The libel is regulated by the penal code and is punishable with a fine.

### Practice

At practice level, as shown by the experience of the surveyed CSOs, the freedom of expression is respected. The surveyed CSOs have not experienced unlawful pressure for expressing criticism towards state authorities, prosecutions for critical speech, or threats for having opposing views. None of them have experienced any blocking of the access to online communication.

The assessment of Standard 1, of Sub-area 1.2., reflects also the assessment of the following indicators of the EU CS Guidelines 2014-2020 . The findings based on the targets for each indicator are:

#### 1.1.b. Quality assessment of existing legislation and policy framework

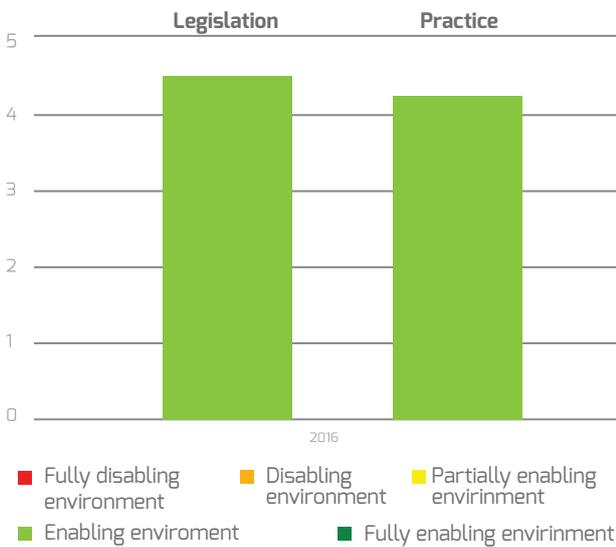
- The existing legislation and policy framework guarantee the rights of freedom, expression, assembly and organization for all individuals and legal entities. Those seeking to assemble are not required to obtain permission to do so by the law (Law on Assembly). In conformity with the international standards, the legislation requires only a notification letter presented to the authorities to exercise freedom of assembly.

#### 1.1.c. Progress in the adoption and implementation of relevant legislation

- There are no changes in the legal framework for the exercise of the rights of freedom, expression, assemblies and association. In practice, there are no cases reported by the surveyed CSOs on the unlawful pressure for expressing criticism towards state authorities, prosecution for critical speech, or threats for having opposing views.

18) Articles 22

**Standard 3:** Civil society representatives, individually and through their organisations, have the right to safely receive and impart information through any media



#### Legislation

The legal framework does not impose any limitation on the use of internet and web-based platforms. It does not prohibit communication and does not limit access to different sources of information and the state does not set limitations on the use of internet<sup>19</sup>.

The Penal Code of the Republic of Albania stipulates specific guarantees against illegal monitoring of communication channels and collecting users' information.

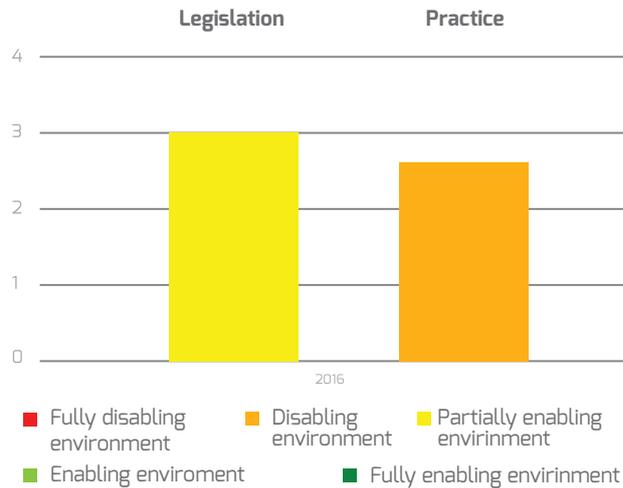
#### Practice

The exchange of information is respected by the state authorities. None of the surveyed CSOs have reported any type of interference by state authorities, as blocking of any online platforms, unlawful monitoring of the communication or punishment to belonging to a social network group.

## Area 2: Framework for CSO Financial Viability and Sustainability

### Sub-area 2.1 Tax/fiscal treatment for CSOs and their donors

**Standard 1:** Tax benefits are available on various income sources of CSOs



#### Legislation:

There are no changes in the fiscal legal framework affecting CSOs for the period covered by this report. The fiscal legislation addressing CSO activity includes:

1. Law no. 99/2015, dated 23.9.2015, For some changes and additions in the law no. 9920, dated 19.5.2008, "On tax procedures in the Republic of Albania" amended;
2. Law no. 92/2014, dated 24.07.2014, "On VAT in the Republic of Albania", Amended;
3. Instruction no. 6, dated 30.1.2015, "On VAT in the Republic of Albania".
4. Decision of Council of Ministers no. 953, dated 29.12.2014, "For implementing provisions of law no. 92/2014, "On VAT in the Republic of Albania"

Based on the Law on Tax procedures, article 40, all not for-profit organisations registered at the Tirana First Court of Instance, should register at the tax administration and receive the unique identification number (NIPT) that serves as their tax identification number. In addition to that, organisations should notify the tax administration, within 15 days from the registration of the changes in the court, for any of the following changes: (a) the

<sup>19)</sup> <https://freedomhouse.org/country/albania>

name; (b) the address; (c) the legal status; (d) establishment/closure of branches; (e) type of economic activity; (f) any other changes, prescribed in the legal acts stipulated in this law. If these legal requirements are not met by the organisations, penalties at a level of 10,000 ALL (approx. 75 Euro) are applied by tax administration.

If an organisation does not carry out any activity for a tax period of 12 consecutive months, or does not submit any tax declaration for a period of 12 consecutive months, or declares suspension of its activities, it is automatically transferred from the tax administration to the passive register of the taxpayers. During the passive status, the organisation has no obligation to submit tax declarations and no penalties are applied for non-declaration. Tax administration should notify the organisation for this transition within 10 days from the day when the transition is occurred.

The new VAT law, which entered into force on 1st of January 2015, and the related legal acts have made some clarifications regarding VAT exemptions for CSOs. The VAT law and Instruction no. 6, dated 30.01.2015 "On VAT in the Republic of Albania" stipulate that funds, grants, membership fees for CSOs are not within the scope of application of VAT when such payments are made in accordance with the Law for Non-Profit Organisations and when CSOs do not supply donors with goods or services as counter value, but they use the received payment to fulfill their non-profit activity purpose.

The organisations that do not meet the criteria to be registered for VAT, but are automatically registered for VAT by tax authorities, should present a request at the tax authorities to unregister from VAT.

In case an organisation performs economic activity to generate incomes that are used by the organisation to fund activities under its mission, than the organisation is considered a taxable entity and should be registered for VAT, regardless the aim of the economic activity. Except are cases when such activities are exempted from VAT by the VAT law<sup>20</sup>, further detailed through a Decision

of the Council of Ministers<sup>21</sup>.

The organisations should submit their VAT declarations in the timeframe and formats prescribed by the law, even in the cases when they have benefited from VAT exemption. Like any other taxpayer, even nonprofit organisations have the right to ask for VAT reimbursement, if they meet the criteria described in Article 77, of the Law on VAT, and following the procedure prescribed in the Instruction no.6, dated 30.01.2015, "On VAT". The Instruction<sup>22</sup> clarifies also the VAT reimbursement procedure for the IPA financed project, in the frame of the Law no. 9840, dated 10.12.2007 "For the ratification of "Framework Agreement between the Council of ministers of the Republic of Albania and the European Commission on the cooperation rules for the assistance to Albania".

Tax on the interest for bank deposits, one of the forms of passive investments, are exempted from income tax<sup>23</sup>. Endowments are not regulated by law, therefore no tax benefits are provided for such income sources of CSOs.

#### Practice:

Clarifications in the new VAT law on tax exemption on grants, has been associated with a higher clarification from CSOs that do not report any more application of taxes (direct or hidden) on grants. The practice also shows that many CSOs are registered under VAT, despite the fact that they should not, therefore they should follow the procedure set in the VAT Law (as described in the previous section), to be unregistered.

As mentioned in the previous sections, there are only 13 CSOs that use economic activity as a source of income. When asked about the exemption of VAT on their economic activity, it is noticed a confusion among most of the surveyed CSOs on the application of this exemption and procedures to follow in order to benefit from it. So, six (6) CSOs declared that their economic activity is automatically exempted by provisions in the VAT law and related legal acts, while seven (7) CSOs have not applied for VAT exemption, because of lack of trust on the institution that grants the VAT exemption and the negative experiences of other organisations that have applied for VAT exemption.

20) Law no. 92/2014 For Value Added Tax in the Republic of Albania, article 51

21) Decision no. 953, dated 29.12.2014 For Implementing Provisions of the Law No. 92/2014, " For Value Added Tax in the Republic of Albania", article 2

22) Instruction no. 6 dated 30.01.2015 On VAT, article 63, point 4

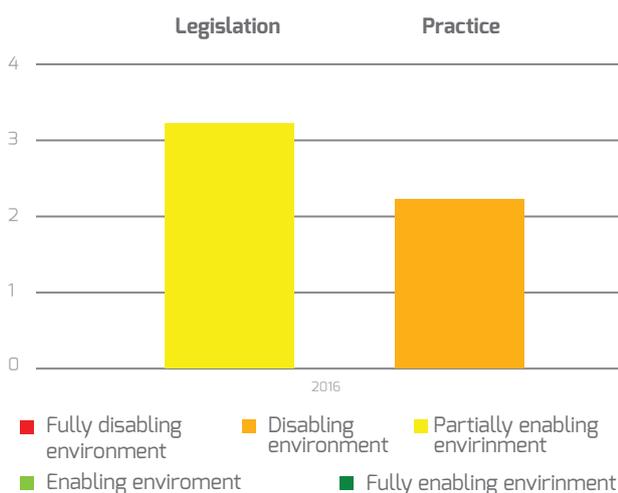
23) Law no. 92/2013 For some additions and changes in the Law 8788, dated 07.05.2001 "For Non-Profit Organisations", amended, article 40.

The practice shows, that similarly to the previous year, the reinforcement and clarification of the VAT reimbursement for IPA projects through a directive of the Minister of Finance, have not contributed to a better and correct implementation of the agreement between the Albanian government and the European Commission, as none of the organisations have benefited from VAT reimbursement for IPA projects. The other persisting problematic issue related with the reimbursement of the VAT on IPA projects remains lack of reimbursement for other EU funded projects through the EUD or at international level, as they are not included in the above mentioned agreement between the Albanian Government and the EU Commission. This is a significant financial burden for benefiting CSOs and at the other hand prevents Albanian CSOs from participating in such programs.

As addressed in the MM Report 2015, there are still requests from some donors to the CSOs implementing their grants to issue VAT invoice, which is in contradiction to VAT Law.

The survey with CSOs shows lack of knowledge by tax administration regarding legal changes. By the other hand, the survey also shows lack of information, and understanding of the fiscal framework by CSOs, resulting in fines.

**Standard 2:** *Incentives are provided for individual and corporate giving*



### Legislation:

The legal environment regulating donations has not been subject of change during 2016.

Fiscal incentives do not encourage individuals and corporate donations. The principal law regulating incentives for donations is the Law On Sponsorship<sup>24</sup>. The amount of sponsorship by private companies is recognized as a deductible expense from 3% up to 5% of the earning before tax. The deduction is executed by tax authorities based on the sponsorship contract, and the proofs for the execution of the sponsorship. Individual donations are not recognized by the Law on Sponsorship and thus they are exempted by the benefits generated by the law.

In the few existing policy documents on Corporate Social Responsibility (CSR) as: the Business Development and Investments Strategy and its Action Plan for the period 2014 -2020<sup>25</sup>, CSOs are not considered a key partner and beneficiaries of CSR. Therefore their needs are not addressed.

### Practice:

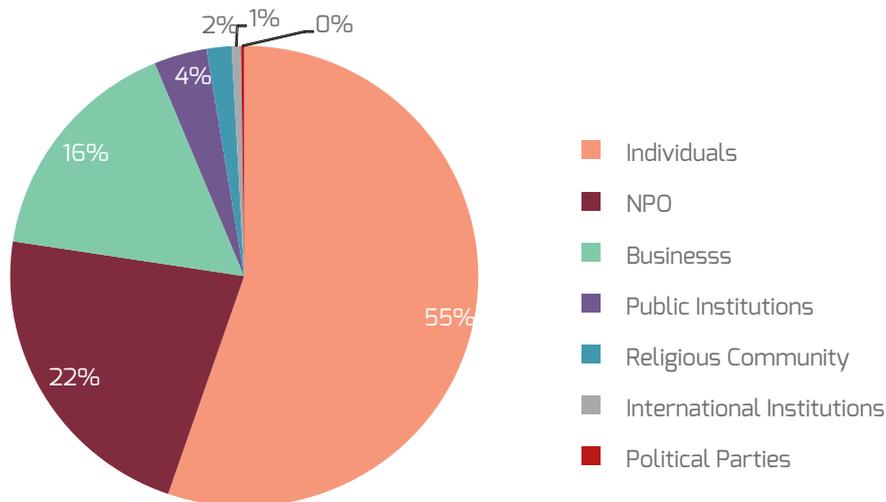
From the monitoring of philanthropic activity in Albania conducted by Partners Albania, there is noticed an increased number of donations, from 217 in 2015 to 465 in 2016. For the period of December 2015 – September 2016, the highest number of donations (55 %), is made by individuals.

The findings also shows that donors use CSOs or Public Institutions to channel their donations, mostly in the cases when they like to stay anonymous or when they can't reach out directly to the final beneficiaries. In the period of December 2015 – September 2016, around 35% of donations were channeled through CSOs.

<sup>24)</sup> Law no. 7892, dated 21.12.1994 "On Sponsorship", amended.

<sup>25)</sup> Decision of the Council of Ministers no. 635, date 1.10.2014 For the approval of the Business Development and Investments Strategy and its action plan for the period 2014 - 2020

Graphic 7. Donations by the nature of donors



The surveyed CSOs highlighted as the main challenges for the development of philanthropy in the country, the following:

1. Lack of public strategies/ policies encouraging philanthropic giving (62%);
2. Underdeveloped culture of giving (53%);
3. Applicable tax incentives are not stimulating for donors (48.3).

From the survey conducted by PA in June - September 2016<sup>26</sup> with 130 enterprises, it results that enterprises would like the following conditions in place, to increase their donations to CSOs:

- Adoption of a legal framework that regulates philanthropic activity and stimulate donors (corporate and individuals) to do-

nate to CSOs;

- Better understanding of business investment strategy by CSOs;
- The capability of CSOs to manage donations;
- Available and easily accessible information on CSOs field of activity;
- Fiscal incentives to donate to CSOs.

The survey also shows that there is a strong connection between CSR and philanthropic activity/ donations, but there is limited number of enterprises that have a strategic document of CSR (15%). In practice, there are few initiatives on partnership that promote CSR for the civil sector.

The assessment of Standard 2, of Sub area 2.1., reflects also the assessment of the following indicators of the EU CS Guidelines 2014-2020 . The findings based on the targets for each indicator are:

**2.2.a. Number and kind of donations to CSOs from individual and corporate donors (specified in monetary values)**- Data from the monitoring of philanthropic activity in Albania conducted by Partners Albania shows that there are 147 cases of donations from individuals and corporate donors to CSOs in the amount of 12,629,265 ALL (approx. 93,000 EUR) and the kind of donations are carried out in goods and products (139 cases), monetary value (7 cases) and services (1 case).

**2.2.b. Quality and applicability/practice of the legal framework for individual and corporate giving** - The Law on Sponsorship is the only law that provides tax incentives for corporate donations. The amount of sponsorship is recognized as a deductive expense from 3% up to 5% of the earning before tax. Donations from individuals are not recognized by this law. The legal framework is not favorable and is not encouraging for individual and corporate giving. →

26) <http://partnersalbania.org/publication/philanthropic-activity-of-enterprises-in-albania-second-survey-2016/>

►► **2.3.a. Quality of the system of tax benefits for the CSOs' operational and economic activities**

- Incomes from CSOs mission-related economic activity up to 20% of the annual incomes of CSOs are tax free.

- The system of tax benefits is not considered effective for the CSOs operational and economic activity. Changes in the new VAT law entered into force in 2015 have not been effectively implemented with regards to VAT refund on IPA projects and request by some donors to issue VAT invoices on grants.

### Sub-area 2.2 State support

**Standard 1:** Public funding is available for institutional development of CSOs, project support and co-financing of EU and other grants



#### Legislation:

Legislation on public funding has not changed in 2016. Law no. 10 093, dated 9.3.2009, "On the Organisation and Functioning of The Civil Society Support Agency" is the main document that regulates state support to CSOs and the Agency for the Support of Civil Society (ASCS) is the main mechanism at the national level for distribution of public funds to CSOs, supporting their institutional development, project support and co-financing of EU and other grants. There is a similar amount of funds allocated in the state budget to the Agency each year. CSOs participation in public funding cycle is ensured by their representation with five members only in the Supervisory Board of ASCS, a body

whose members are appointed by the Council of Ministers. Wider representation of CSOs in all phases of public funding cycle is not stipulated in the legislation regulating the functioning of ACSC.

#### Practice

Based on the data from its website, the Agency for Civil Society Support has announced only one call for proposal in the period of December 2015 – September 2016. The call for proposal was launched in February 2016 and had two main components:

1. Projects funded only by ASCS
2. Projects co-funded by ASCS and other donors<sup>27</sup>

The call for proposals addressed a wide range of priority areas to be supported, including the enabling environment for civil society and strengthening the role of CSOs in the reforms and initiatives that improve the enabling environment. Although, there is no public information about projects funded under this priority, as there is no information for all other priorities addressed through this call for proposals.

A total number of 41 CSOs were awarded, with the total amount of 85,800,000 ALL (approx. 620,000 EUR) from the above mentioned call of ACSC. The minimum awarded fund was 500,000 ALL (approx. 3,700 EUR), while the maximum awarded fund was 5,000,000 ALL (approx. 36,800 EUR).

Similar with the previous MM Reports, even this year the Agency has not launched any call for institutional support to CSOs.

27) <http://www.amshc.gov.al/web/thirrje/09/>

Another source of public funds for CSOs in 2016 has been the Ministry of Culture. Data from the website of the Ministry of Culture show that the ministry has provided funds in the form of grants to 52 CSOs out of 92 grants awarded in total<sup>28</sup>. The total amount benefited by CSOs is 33,084,300 ALL (approx. 246 000 Euro).

The National Lottery Fund launched the second call for proposals in 2016. The total amount of funds available was 7,025,566 ALL (approx. 51,700 EUR) and it was allocated for short-term funding up to one year and for long term-funding up to three years<sup>29</sup>. Based on the data published at the National Lottery Fund website, four CSOs were awarded. There is no information on the amount of financial support given to each project.

In October 2016, PA sent an official request to all ministries asking for information on: i) the total amount of funds distributed in 2016 for CSOs; (ii) total number of organisations which have applied for funds; (iii) total number of organisations which have benefited from these funds; (iv) the minimum and maximum amount of fund distributed; (v) number of services and awarded to civil society organisations; (vi) total amount of contracts of the procured services by civil society organisations; (vii) number of civil society organisations which have benefited non-financial support; and (viii) the type of the non- financial support.

The following ministries (7 out of 17 ministries) have responded to PA` request on state financial and non - financial support provided to CSOs: Ministry of Justice, Ministry of Economic Development, Tourism, Trade and Entrepreneurship, Ministry of Finance, Ministry of European Integration, Minister for Innovation and Public Administration, Ministry of Energy and Industry, and Minister of State for Local Issues.

Based on their responses, the Ministry of Economic Development, Tourism, Trade and Entrepreneurship declared to have allocated and distributed public funds in the amount of 3,822,690 Lekë (approx. 28,500 EUR) for

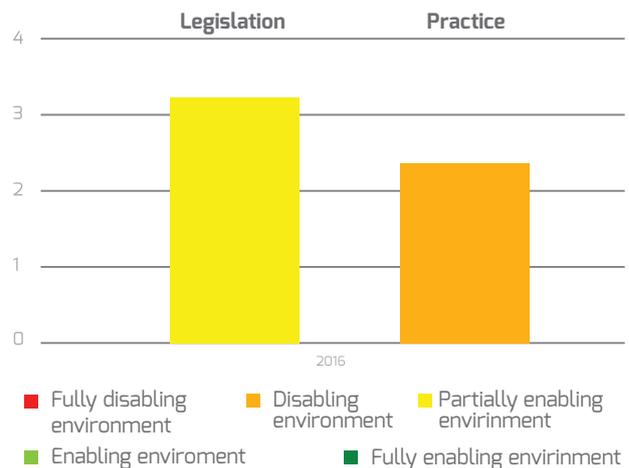
3 CSOs, out of 17 CSOs that have applied for this fund. The Ministry of Finance declared that state funds allocated for CSOs are in the amount of 101 million ALL (approx. 720,000 EUR) granted to the Agency for the Support of Civil Society

Results from the survey with CSOs show that 32% of the surveyed CSOs have applied for financial state support, and only 11% of them have been awarded with a grant from the respective institutions: The Ministry of Culture (5 CSOs), ASCS (3 CSOs), The National Lottery Fund (2 CSOs).

According to 75% of the surveyed CSOs, the public funding is not sufficient and doesn't meet the needs of CSOs.

Comparing the findings in this report with the previous MM Reports, it is clear that the situation with the public funding with regards to amounts and rules and procedures for their distribution has changed neither at the legal nor at the practice level. Public funding remains at limited levels, distributed only to a small number of CSOs, not planned in cooperation and in compliance with needs of CSOs.

**Standard 2:** *Public Funding is distributed in a prescribed and transparent manner*



### Legislation

The Law on ASCS and its internal regulations stipulates and allows for a transparent process of funding distribution. The announcement for

28) <http://www.kultura.gov.al/al/newsroom/njofitime/thirrja-per-projekt-propozime-2016-projektet-e-perzgjedhura-per-mbeshetetje&page=3>

29) <http://www.lotaria.al/index.php/sq/kompania/good-causes-2>

grant procedure is public and it does provide sufficient time to prepare and submit project proposals and all the required documents. The issue of the conflict of interest during the evaluation of proposals is addressed generally in the Law on ACSC and internal procedures of the Agency, but there is no clear procedures on how to avoid this situation and how is done the replacement of the member of the Supervisory Board with another qualified evaluator, in case of a conflict of interest.

The Ministry of Culture and The National Lottery Fund follow the same procedures in terms of announcement for call for proposals for distribution of their funds providing also a minimum and maximum amount for each the

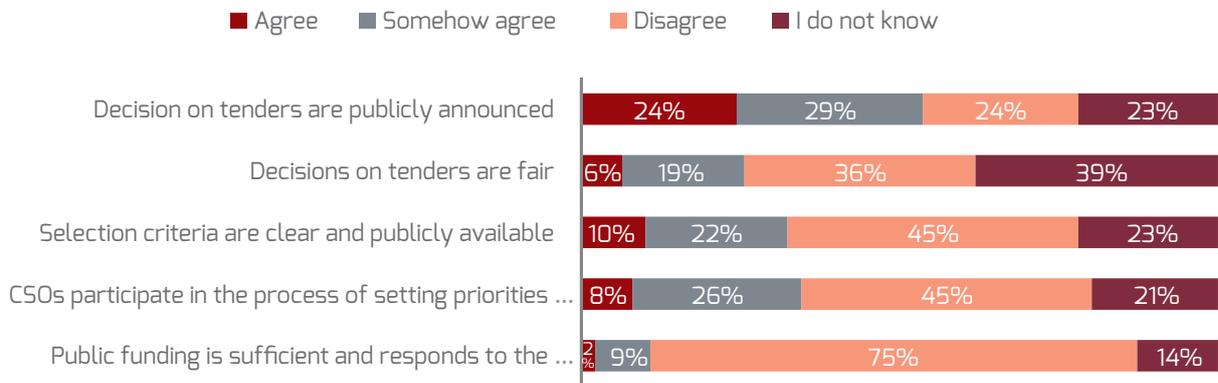
grant requested based on the period of grants implementation.

**Practice**

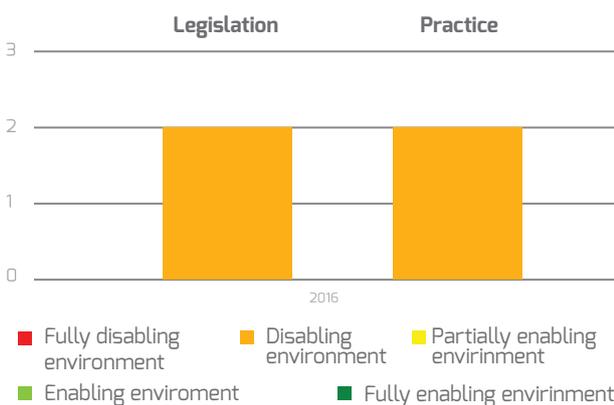
The perception of 45% of CSOs is that the selection criteria for distribution of public funding are not clear and publicly available, and CSOs do not participate in the process of setting priorities for public funding.

On the other hand, 36% of surveyed CSOs consider that decisions taken on the distribution of public funds are not fair and the conflict of interest is not declared in advance, putting into question mark the transparency and accountability of public institutions on their decisions on tenders.

*Graphic 8. Perception of the surveyed CSOs on public funding*



**Standard 3: There is a system of accountability, monitoring and evaluation of public funding**



**Legislation**

Civil Society Organisations that are financed by the government are subject of the Law No. 112/2015 on Public Financial Inspection<sup>30</sup> that

aims to guarantee the execution of legitimacy in using public funds.

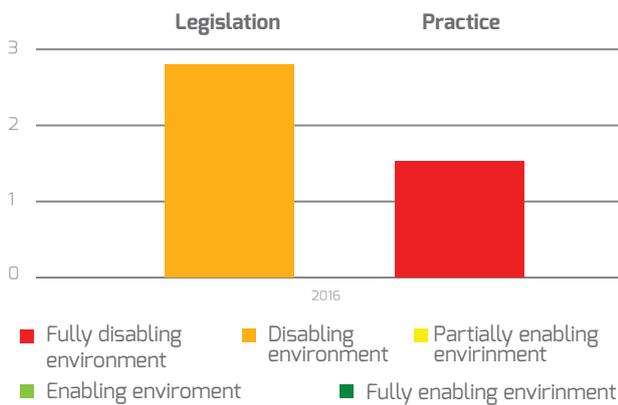
The Law for Establishment of the Agency for the Support of Civil Society and its internal regulations describe clearly and in details the procedures of accountability, monitoring and evaluation in support of a transparent granting process.

**Practice**

As it was observed at the ASCS webpage, there is lack of information on the progress of the projects funded by the agency. The Annual Report of the Agency presents statistical data and information on the projects funded by the agency, but there is lack of descriptive information on the results and impact of these projects. The same situation is with the other institutions that have provided public funds for CSOs in 2016.

30) Article 4

**Standard 4:** *Non – financial support is available from the state*



**Legislation:**

Albania does not have an adequate law or regulation in place with specific provisions that authorize state authorities to provide non-financial support to CSOs. This is interlinked with the absence of a formal and transparent procedure for providing non – financial support to CSOs.

**Practice**

Based on the data provided by the ministries that responded to PA request for information, only the Minister of Innovation and Public Administration declared that has provided non – financial support to CSOs in 2016, offering the Innovation Hub without a fee to CSOs and groups of interest. From the survey with CSOs some of them have reported that have used free spaces provided also by the Ministry of Social Welfare and Youth to organize their activities.

Non-financial support is more available for CSOs at the local level, as 27% of the surveyed CSOs declare that they have benefited non – financial support by municipalities of Durrës, Gjirokastra, Puka, Tirana, and Shkodra, in the form of: provision of free spaces, use of vehicles and office materials to organize their activities, as well as expertise of public officials for the implementation of their activities.

The assessment of Standard 2, of Sub area 2.2., reflects also the assessment of the following indicators of the EU CS Guidelines 2014-2020 . The findings based on the targets for each indicator are:

**2.4.a.** *CSO's perception of the provision of funds in terms of transparency, fairness and nondiscrimination*

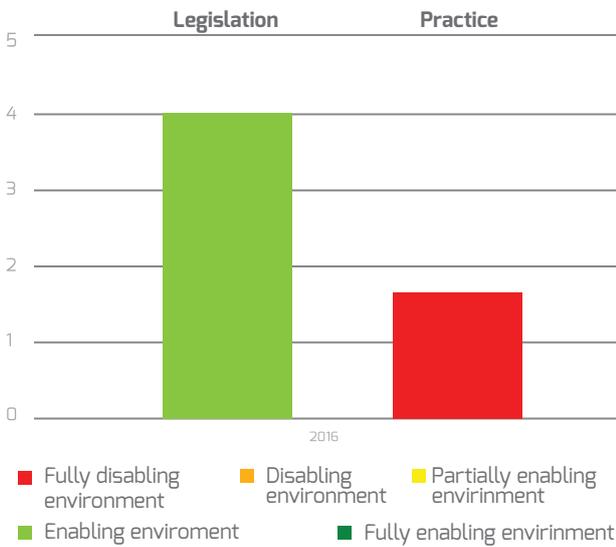
The perception of 45% of the surveyed CSOs is that selection criteria for distribution of public funding are not clear and publicly available, 36% of surveyed CSOs consider that decisions on distribution of public funds are not fair and the conflict of interest is not declared in advance, putting into question mark the transparency and accountability of public institutions on their decisions on tenders.

**2.4.c.** *Quality of state funding frameworks for civil society organisations (focusing on procedural document)*

- The situation with the public funding with regards to amounts and rules and procedures for their distribution has not changed. Public funding remains at limited levels, distributed only to a small number of CSOs, not planned in cooperation and in compliance with the needs of CSOs.

**Sub-area 2.3 Human resources**

**Standard 1:** CSOs are treated in an equal manner to other employers



**Legislation**

The legal framework does not provide different treatment for CSOs in the role of an employer, and does not take into consideration the nature and scope of work of CSOs. So, the law impos-

es CSOs to register and pay social and health contributions for at least one employee, including voluntary-based organisations.

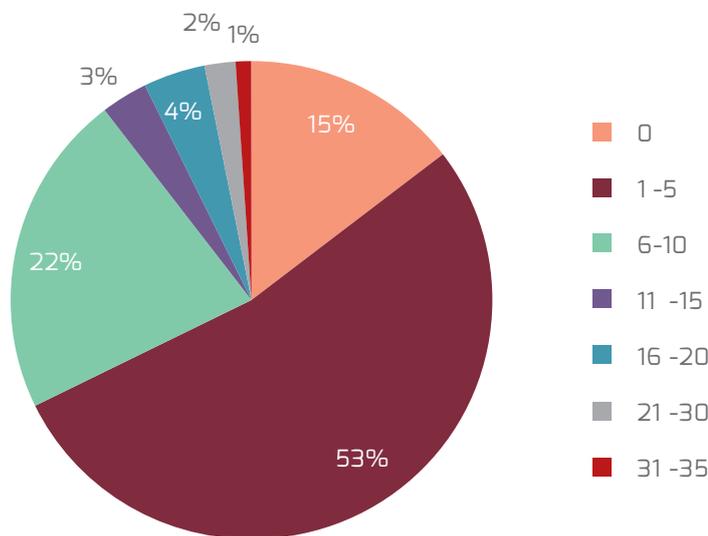
The Law no 7995, Date 20.9.1995, For Encouragement of Employment, amended and several decisions of Council of Ministers<sup>31</sup> stipulate some general policies to support employment in all sectors, with no specific references to CSOs.

**Practice**

Similar with the previous MM Reports, there is still lack of official data on the number of employees (full-time, part-time, experts) working in CSOs.

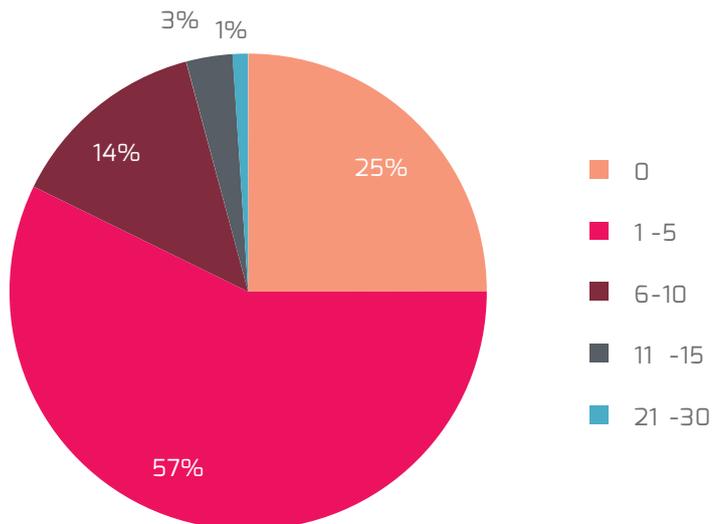
CSOs have limited human resources, as reflected in the Graphs 9 and 10 showing the situation with the full time and part time employees by the surveyed CSOs. 15% of them do not have any full time employee, while 25% of them do not have any part-time employee. More than half of CSOs have 1-5 full-time and part-time employees, respectively 53% and 58%. ARSIS is the only surveyed organisation that has more than 30 full-time employees.

*Graphic 9. Full time Employees by the surveyed CSOs.*



31) Decision of Council of Ministers no 27, "Employment Encouragement Program of the unemployed women"; Decision of Council of Ministers no. 47 "Employment Encouragement Program through training on the job"; Decision of Council of Ministers no. 48 "Employment Encouragement Program of unemployed person in difficulties; Decision of Council of Ministers no. 199 "Employment Encouragement Program of the youth unemployed"; Decision of Council of Ministers no. 873 "Professional Practice Program for New graduates"; Decision of Council of Ministers no. 248 "Promotional Program of Employment of persons with disabilities"

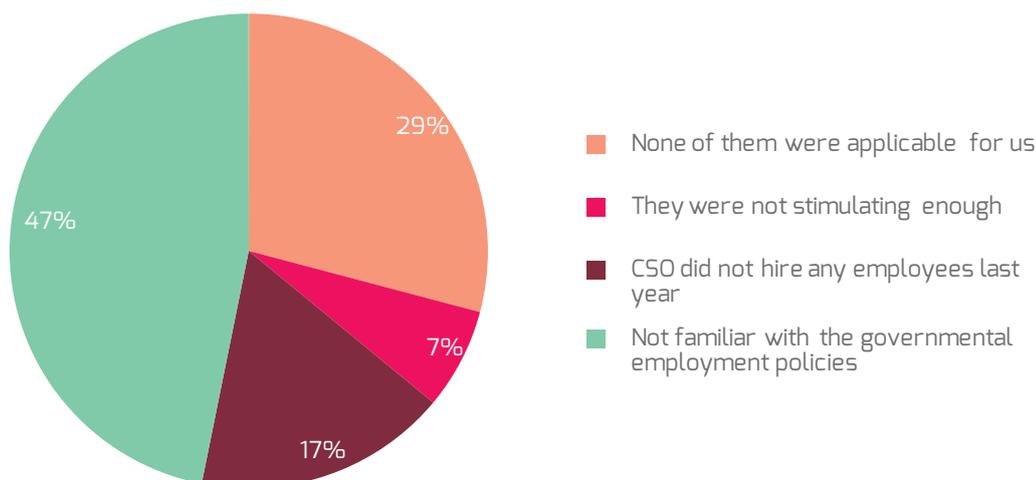
Graphic 10. Part time Employees by the surveyed CSOs



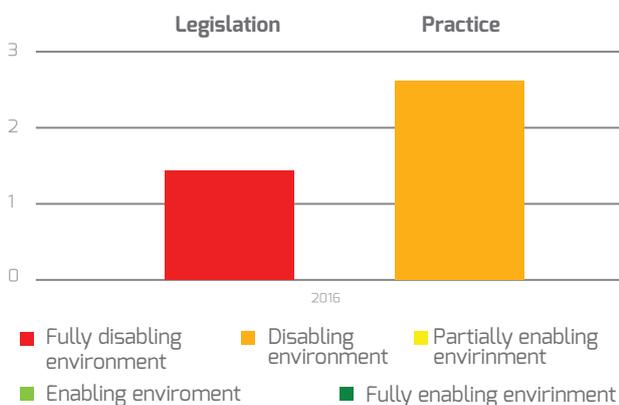
When asked if they have benefited from any governmental incentive programs for employment, almost all the surveyed organisations responded that they have not enjoyed any benefit from gov-

ernmental incentive programs for employment during 2016, while 47% of them are not familiar with the governmental employment policies at all.

Graphic 11. Reason for not benefiting from Government Employment Policies



**Standard 2: There are enabling volunteering policies and laws**



**Legislation**

After several years of discussion on the Law on Voluntarism, on April 2016 the Albanian Parliament approved on the Law no. 45/2016 on Voluntarism<sup>32</sup>, based on the draft-law presented by the Socialist Movement for Integration Party. This law defines the main principles, conditions and criteria for conducting voluntary work in Albania aiming to regulate volunteer work and increase citizens' non-profit activities for the wellbeing of another individual or the wider public. Based on the law, the providers of volunteer-

32) [http://www.qbz.gov.al/botime/fletore\\_zyrtare/2016/PDF-2016/92-2016.pdf](http://www.qbz.gov.al/botime/fletore_zyrtare/2016/PDF-2016/92-2016.pdf)

ing<sup>33</sup> should obtain a register for the contract of volunteers and should notify the National Service of Employment within 10 days of the disclosure of the contract. Moreover, article 22 of the law stipulates that the provider of volunteering must provide health insurance in cases of accidents during the period of the contract.

The law describes what should be the content of the contract between the providers and the volunteers, provides the timeline of volunteer work which should not exceed 5 hours of volunteer daily work and 25 hours of weekly work<sup>34</sup> and guarantees that volunteers are informed about the conditions, rights, obligations and benefits before the start of volunteering so that they are aware of all the circumstances and particulars of the engagement.

The Law on Voluntarism is approved in April

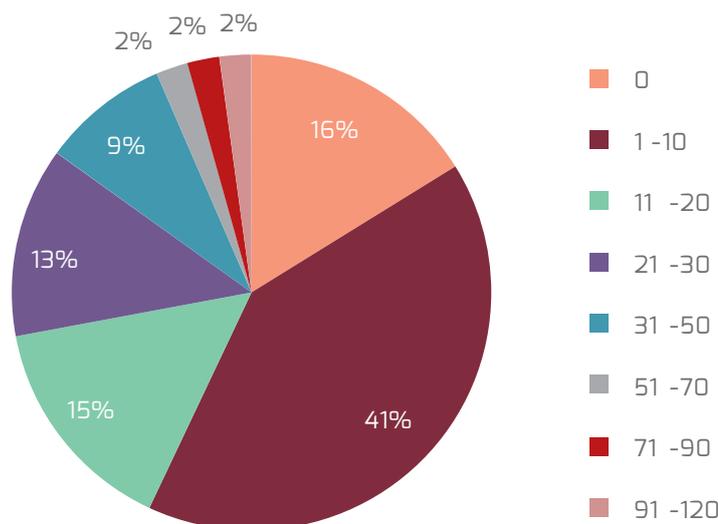
2016, and so far the legal acts stipulated in the law to regulate the relationships between the volunteer and the volunteering provider, as the register of volunteering contracts, volunteering booklet, and the ethical code on voluntarism<sup>35</sup>, are not approved. In the meantime, in the law there are no articles stipulating how the fiscal issues on volunteering activities will be regulated in the related laws.

There is no publicly available information regarding incentives and state supported programs on the development and promotion of volunteering.

### Practice

Similar with the MM Report 2015, most of the surveyed CSOs (41%), had 1-10 active volunteers during 2016, as it is shown in the Graph 11, while 16% of the organisations had no active volunteers during 2016.

Graphic 11. Active Volunteers during 2016 stated by the Surveyed CSOs



The Law on Voluntarism is not implemented due to the lack of legal acts that would enable its implementation. As a result, CSOs are not dealing yet with the administrative procedures and obligations for organisation of volunteers and volunteer activities.

Around 65% of the surveyed CSOs declared that they are aware on the approval of the law on voluntarism in April 2016. 48% of the surveyed

CSOs consider that the legal framework somehow stimulates volunteering engagement, 50% consider that the administrative procedures on volunteering are somehow easy, and 40% of them consider that the obligations prescribed in the law are somehow reasonable, while 41% of the surveyed CSOs do not have information if the procedure for the foreign volunteers is the same as to domestic volunteers.

33) The provider of volunteering could be a public body, religious communion, or non-for profit organization (Law no. 45/2016. On Voluntarism, Article 9)

34) Law no. 45/2016. On Voluntarism, article 11

35) Ibid, Articles 21, 26, and 27

The assessment of Standard 2, of Sub area 2.3., reflects also the assessment of the following indicators of the EU CS Guidelines 2014-2020 . The findings based on the targets for each indicator are:

**1.2.a. Number of employees in CSO (permanent and part-time)**

There are no official data on the number of total employees within the CSOs sector. Based on the answer of the surveyed CSOs, 15% of them do not have any full time employees, while 25% of them do not have any part-time employees. More than half of CSOs have 1-5 full-time and part-time employees, respectively 53% and 58%. ARSIS is the only surveyed organisation that has more than 30 full-time employees.

**1.2.d. Number of volunteers in CSOs per type of CSO / sector**

There are no official data on the number of volunteers working in CSOs. Most of the surveyed CSOs (41%), have 1- 10 active volunteers, while 16% of the organisation have had no active volunteer during 2016.

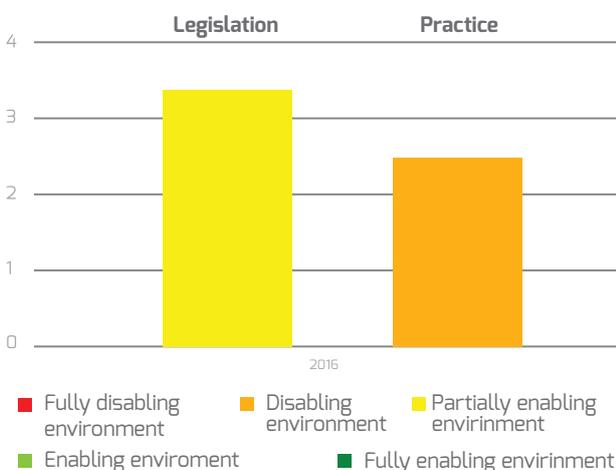
**1.2.f. Quality of legislative framework**

The legislative framework on employment does not provide different treatment for CSOs and does not facilitate the employment in CSOs compared to other sectors. The legal framework does not take into account the nature and scope of work of CSOs, imposing them to register and pay social and health contributions for at least one employee, including voluntary-based organisations.

The Law on Voluntarism was adopted by the Albanian parliament on April 2016, but there are no legal acts to regulate the tax treatment for CSOs and volunteers.

### Area 3: Government-CSO Relationship

**Standard 1:** *The State recognizes, through policies and strategies, the importance of the development of and cooperation with the sector*



**Legislation:**

The Road Map for Drafting Policy and Measures for Enabling Environment for Civil Society is the main strategic document that recognizes the importance of the development of and cooperation with the sector. The document is approved in 2015, and is described in the MM Report 2015<sup>36</sup>.

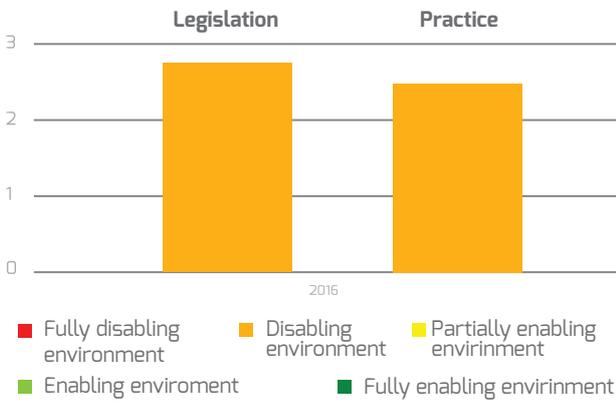
**Practice:**

Only 47% of the surveyed CSOs expressed that they have information on the existence of a strategic document for cooperation of the government with the CSOs such as the Road Map for Civil Society, and the Law for the Establishment and Functioning of the National Council for Civil Society. The slight majority of the organisations (55%) that have information on strategic docu-

36) <http://partnersalbania.org/publication/monitoring-matrix-on-enabling-environment-for-civil-society-development-country-report-for-albania-2/>

ments, reported that they were not involved during the preparation of these strategic documents, while the others were partially involved (25%) and involved (20%).

**Standard 2:** *The State recognizes, through the operation of its institutions, the importance of the development of and cooperation with the sector*



#### Legislation:

Following the developments for the creation of an enabling environment for civil society in 2015, the National Council for Civil Society (NCCS) was established in June 2016. As stated in the law, the Council has 27 members, out of which 13 from CSOs, 13 from state institutions, and 1 from the National Business Council.

The process to select members of the council from CSOs started in December 2015, when the Agency for Support of Civil Society, having the role of the secretariat of the NCCS, conducted several consultations with CSOs for the nomination of candidatures. The voting process for the CSO representatives in the Council was organized online during April – May 2016. Based on the data on the website of the ASCS<sup>37</sup>, 1 141 CSOs participated in the online voting process. According to the agency the online voting process encountered some issues, producing many invalid votes.

Based on the list of Council's members published in the ASCS webpage, the Ministry of Health is not represented as required by the law, while the National Economic Council has two members instead of one.

According to the information published at ACSS website there is only one meeting organised by

the Council during this year, on 23 June 2016, although the legal requirement is three times a year. The meeting served to introduce the members and mandate an internal working group with the preparation of the Internal Regulations of the Council. These Rules establish when and how Council's meeting are called, notified and organized, as stipulated in article 5 of the law.

There is no available information on when the next meeting will be called.

One of the first expected tasks of the Council is preparation and monitoring of implementation of the National Strategy for an enabling environment for civil society.

At the ministry level, based on the information received by 13 ministries that responded to PA request for information on consultation processes to all ministries (Ministry of Culture; Ministry of Economic Development, Tourism, Trade and Entrepreneurship; Ministry of Education and Sport; Ministry of Environment; Ministry of the Defense; Ministry of Transport and Infrastructure; Ministry of Finance; Minister of State on Innovation and Public Administration; Ministry of Energy and Industry; Ministry of Agriculture, Rural Development and Water Administration; Ministry of Internal Affairs; Ministry of Social Welfare and Youth; Ministry of European Integration) the contact person for cooperation and assistance to CSOs is the Coordinator for the Right to Information or the Coordination for Notification and Public Consultation.

The Albanian Parliament has appointed a coordinator that deals with the groups of interest and civil society and who is responsible to coordinate and facilitate partnerships between the Albanian Parliament and groups of interests, civil society and social partners.

#### Practice:

The 47% of the surveyed CSOs are aware of state institution/ body for cooperation of the government with the CSOs, as The Agency for Support of Civil Society; National Council for Civil Society; RYCO – The Regional Youth Cooperation Office; Department of Development and Foreign Aid at Prime Minister's Office; and National Council of European Integration.

<sup>37)</sup> <http://www.amshc.gov.al/web/KKSHC/veprintari.php>

Almost all CSOs (91%) expressed that during 2016 they have communicated with state bodies responsible for cooperation with civil society. Respectively, 25 out of 96 CSOs expressed that they communicate regularly with these bodies, 53 CSOs stated that they communicate occasionally, while only 4 CSOs declared that they did not communicate at all.

While the NCCS has not been functional during 2016, the practice shows that the other state mechanisms for cooperation with CSOs do not have sufficient resources and mandate for facilitating the dialogue between CSOs and Government. There are no cases of policies for development of civil society initiated or developed by these mechanisms in cooperation with CSOs.

The assessment of Standard 3, of Sub area 3.1., reflects also the assessment of the following indicators of the EU CS Guidelines 2014-2020 . The findings based on the targets for each indicator are:

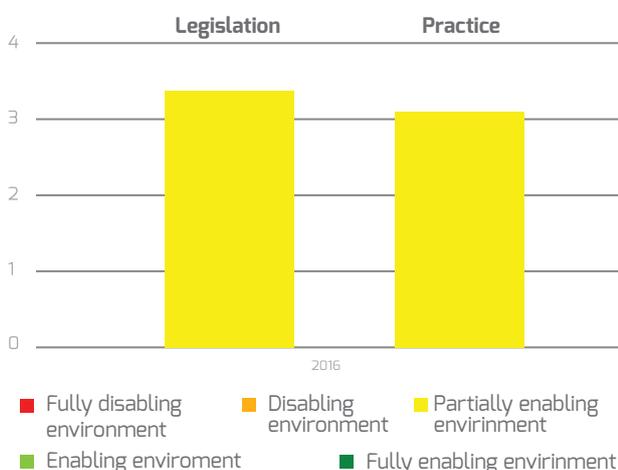
**3.1.b. Quality of structures and mechanisms in place for dialogue and cooperation between CSOs and public institutions in terms of:** - CSO representation in general, - representation of smaller/weaker CSOs, - visibility and availability, - government perception of quality of structures and mechanisms, - CSOs perception on structures and mechanisms

- In June 2016 was established the National Council for Civil Society, a consultative body aiming to guarantee institutional cooperation between the state and civil society organisations in Albania. There is an equal representation CSOs and government in the council, and there is sectorial diversity among CSOs represented in the council.

- As established in the law, it is expected that the Council will have a positive impact on the enabling environment for civil society based also on the collaborative effort of state and civil society representatives in the Council; the Council has still to prove itself as a joint body up to the expectations of both parties.

**Sub-area 3.2 Involvement in policy- and decision-making process**

**Standard 1:** *There are standards enabling CSO involvement in decision-making, which allow for CSO input in a timely manner*



**Legislation:**

The legal framework affecting CSOs involvement in the decision – making processes did not change during 2016. Law no. 146/2014 “For Notification and Public Consultation” puts forward a requirement from public authorities for consultation on draft laws and policies with the public. Each public authority should appoint a coordinator in charge of the notification and public consultation process. The Decision of the Council of Ministers no. 828, date 7.10.2015, on “Approval of Rules on Creation and Administration of Electronic Register for Notification and Public Consultation” enacted the creation, functioning, administration and monitoring of the electronic register for notification and public consultation and its publication in the format of an electronic portal <http://konsultimipublik.gov.al/RENJK>.

Based on the same decision, the electronic reg-

ister is administrated by the National Agency for Information Society (NAIS), and the register should include: (i) primary data – all the information and bylaws that are published for the first time in the electronic register, and (ii) secondary data – all the bylaws that are taken by the databases of the public bodies, where they were initially published according to the adequate legislation/sectorial of the public body.

Consultation is mandatory only for draft laws, strategic national and local project documents, and the policies with high public interest, but not for normative acts approved by the Council of Ministers. They are not subject of Law on Notification and Public Consultation.

The Law on Notification and Public Consultation does not foresee any administrative sanction against the public institution or responsible person for notification and public consultation; it does not foresee the appeal of decision of the public authority.

Organisation of public consultations with CSOs requires specific knowledge and skills by public servants engaged in the process. As it was observed at the website of Albanian School of Public Administration (ASPA), in the published annual training calendar there are no trainings on CSOs involvement in the work of public institutions for civil servants.

#### Practice:

Following the approval of the Law no. 146/2014 “For Notification and Public Consultation” and the Decision of the Council of Ministers no. 828, date 7.10.2015 on “Approval of Rules on Creation and Administration of Electronic Register for notification and public consultation”, it is established a webpage on public consultations. The website is active but does not contain information.

From the report prepared by ResPublica on the effectiveness of the Law on Notification and Public Consultation<sup>38</sup>, results that there is a very limited number of project acts published at the webpage <http://www.konsultimipublik.gov.al/>. All elements that the folder should of the project acts contain are missing, and there are no comments or recommendations for the published project acts. In the report<sup>39</sup>, it is also stated that only 18% of the monitored institutions, that are subject of the Law on Notification and Public Consultation, have a register for the publication of the project acts, in compliance with the law.

From the information published in the webpages of the ministries, results that all of them have appointed a coordinator responsible for the right to information, according to the Law No. 119/2014 On the Right to Information. In addition, the Ministry of Health, the Ministry of Economic Development, Tourism, Trade and Entrepreneurship, the Ministry of Innovation and Public Administration, the Ministry of Transport and Infrastructure, and the Ministry of Internal Affairs provide also contact information of the coordinator for the notification and public consultations in their webpages.

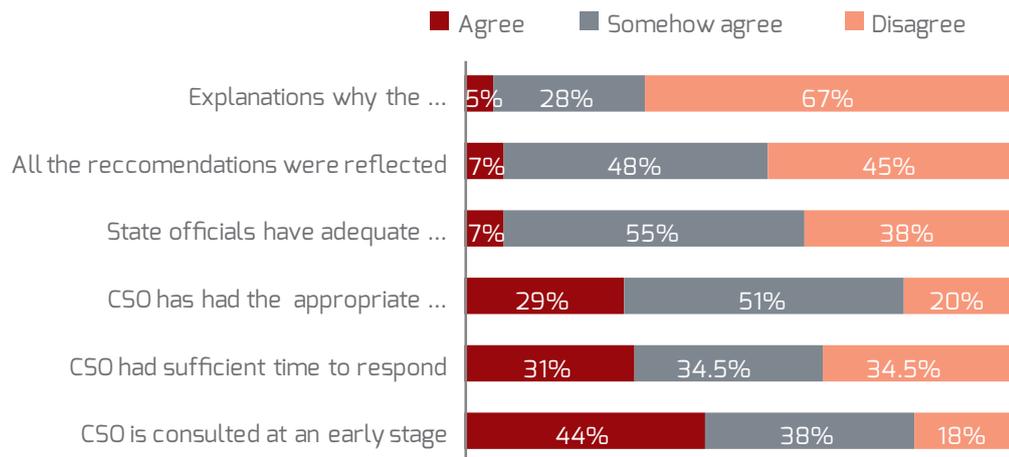
The Graph 12 shows the level of satisfaction of CSOs with the quality of consultation process. It is to be noted that 44% of surveyed CSOs have received appropriate information and sufficient time to participate in the process and the consultation happened at an early stage.

Still, there are two main concerns raised by surveyed CSOs regarding the quality of consultation. Firstly, non-consideration from the institutions for the recommendations provided by the CSOs, and secondly, lack of argumentation why. The latter one is in violation with the Law on Notification and Public Consultation.

38) <http://www.respublica.org.al/wp-content/uploads/2016/07/konsultimi-publik-sfidat-e-vitit-te-pare-te-zbatimit-te-ligjit.pdf>

39) *ibid*, page 29

Graphic 12. Characterization of the processes of policy and decision making based on the experience of surveyed CSOs



Based on the Law no. 119/2014 On the Right of Information, Partners Albania sent a request to all ministries and Albanian Parliament asking information on the number of public consultations organized during December 2015 – September 2016, number of CSOs participating in public consultations; appointment of staff in charge with coordination, monitoring and reporting on the involvement of CSOs in public consultations; involvement of representatives of CSOs in cross-sectorial and advisory bodies.

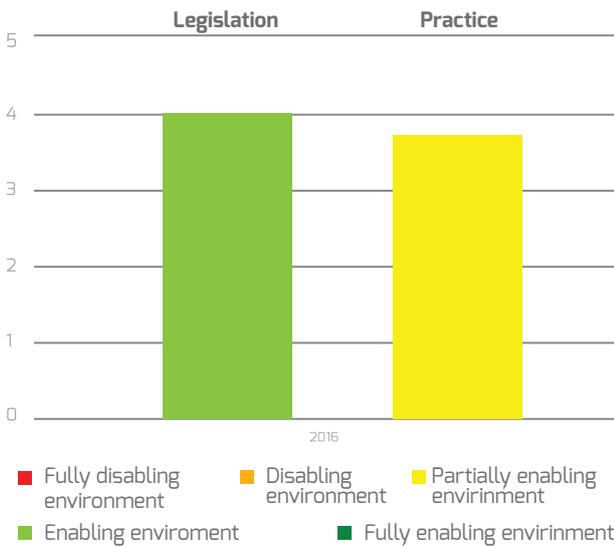
As per response of Albanian Parliament to Partners Albania inquiry, the Permanent Committees have conducted 16 public consultations and 19 public hearings during 2016. The Committee of Education and Means of Public Information, and the Committee of Legal Issues, Public Administration and Human Rights are the only permanent committees that have organized public consultations, respectively 10 and 6 public consultations with the participation of 60 representatives from groups of interests.

By the other hand, the Committee of Work, Social Issues and Health have organized 7 public hearings with participation of 39 representatives from groups of interest; the Economic and

Finance Committee have organized 3 public hearings with the participation of 9 representatives from groups of interests, and the Productive Activity, Trade and Environment Committee have organized 9 public hearings with the participation of 37 representatives from groups of interest.

The line ministries that responded to Partners Albania inquiry (13 ministries) stated that they have conducted public consultations with groups of interests and have published all the draft laws and draft policies in their webpages. However, only the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (MEDTTE), and the Ministry of European Integration provided the total number of agencies and organisations that are informed and participated in the consultation meetings, while the other ministries failed to provide clear figures about the number of CSOs informed and participating in public consultations. Based on the data provided by Ministry of Integration around 900 organisations were informed through the Ministry newsletter on the new draft laws and strategies discussed in 2016, while in the consultations conducted by MEDTTE have participated 18 representatives from groups of interests, mainly representatives of chambers of commerce and tourism agencies.

**Standard 2:** All draft policies and laws are easily accessible to the public in a timely manner



**Legislation:**

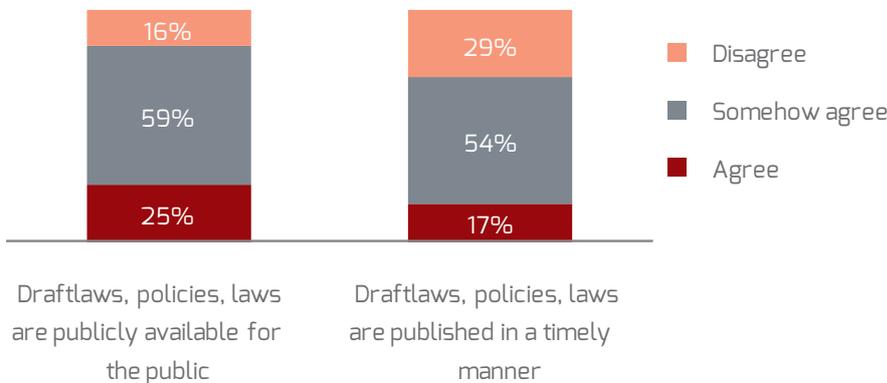
The existing legal framework, specifically the Law on Notification and Public Consultation obligates public institutions to publish all

draft and adopted laws and policy documents. The law requirements guarantee sufficient time (20 days) for CSOs to provide their opinion on the draft laws and policies. Also, the law stipulates that a summary of collected opinions should be made public and is part of the draft-law package for approval. By the other hand, if the recommendation is not accepted, a summary of the reasons should be made public. The law provides also options for redress if the provisions for consultations are not respected, based on the claims by the groups of interest.

**Practice:**

Compared with the MM Report 2015 there is a slight improvement with regard to access to draft laws and policies, based on the experiences of the surveyed CSOs as showed in the Graphic 13. Nevertheless, more than half of surveyed CSOs do not fully agree that draft laws, policies, and laws are publicly available for the public (59%) and that draft laws, policies and laws are published in a timely manner (54%).

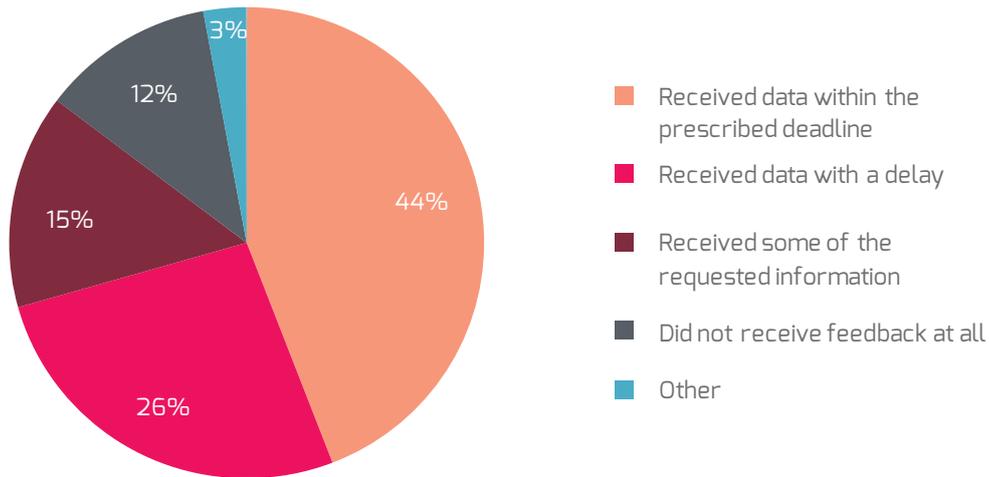
Graphic 13. Accessibility of draft laws and policies



According to the surveyed CSOs, 36% of them have exercised the right to information, and 44% of them have received the requested information within the established deadline, 26%

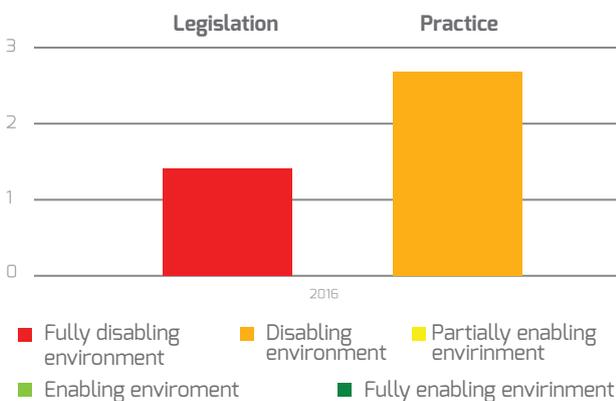
have received information, but with delay, 15% received partial information and 12% did not receive any response, as shown in Graphic 14 below.

Graphic 14. Public response to the right of information based on the experience of surveyed CSOs



There are also cases of CSOs exercising the right to complain the refusal of information from public institutions, like the Albanian Helsinki Committee. The organisation sent a request for information to the Ministry of Health but did not receive any response from the Ministry. After this, the organisation complained the case to the Commissioner for the Right to Information and Protection of Personal Data, which is the public body charged with supervising and monitoring compliances related with the law for the right to information. The Commissioner ruled against the Albanian Helsinki Committee request, as according to him, it did not fulfill the criteria established by the Law. The decision was appealed to the Tirana First Court of Instance which ruled in favor of the organisation.

**Standard 3:** CSO representatives are equal partners in discussions in cross-sector bodies and are selected through clearly defined criteria and processes



**Legislation:**

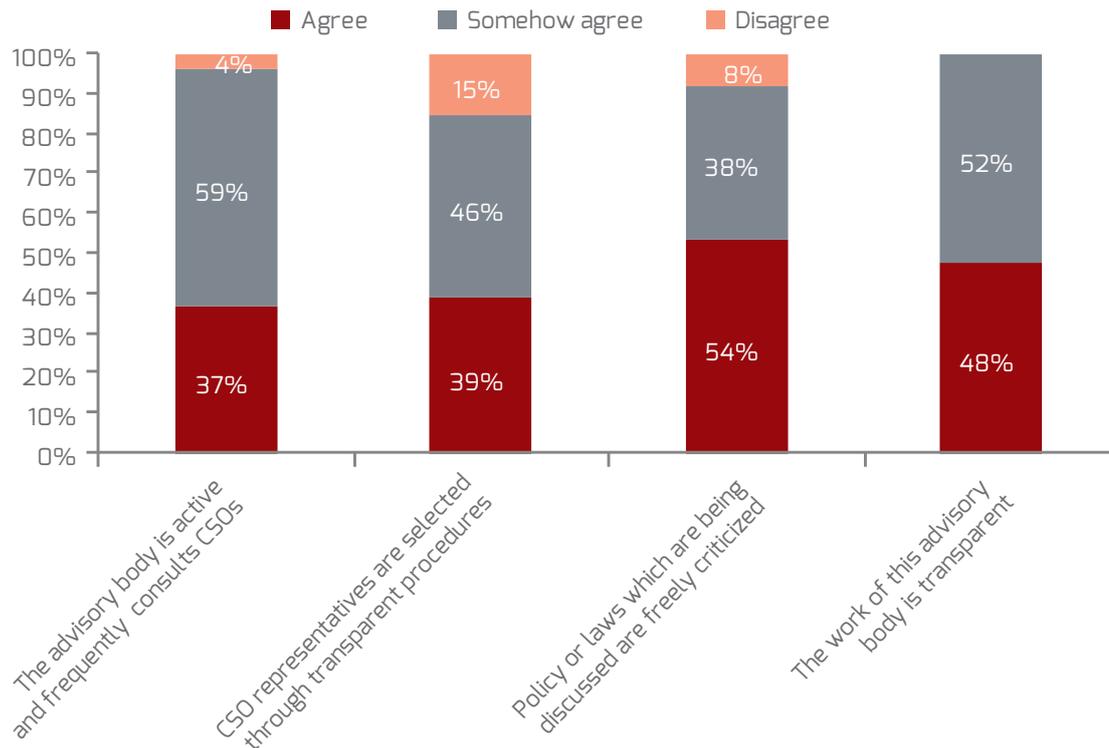
There is no specific law regulating the CSOs participation in consultative and cross – sector bodies. However based on the information provided by the Ministries there are consultative and cross – sector bodies established with the participation of CSOs, such as National Council for European Integration, National Council of Labor, Consultative Committee of Private Sector on Tourism, Coordinating Council on Customer Protection, and Tax Council, Commission for the Right of Customers and Commission of the State Aid set-up by The Ministry of Economy Development, Tourism, Trade and Entrepreneurship with participation of CSOs.

**Practice:**

According to the survey, 31% of CSOs have taken part in an advisory/consultative body in 2016, such as National Council for Civil Society, Ad Hoc Advisory Body for the Education Reform, Anti –Trafficking Regional Committee, Ad Hoc Committee on National Mechanism of Reference of Trafficking Victims, Cross – Minister Council on Disability, National Council for the Right of Children, etc.

CSOs based on their experience find the consultative bodies not very active (59% somehow active and 4% not active). Transparency of the process in selecting the representative CSOs in these consultative bodies remains a concern. It is rated as somehow transparent by 46% of CSOs and 15% as not transparent at all. There is a noted improvement in the level of freedom in expressing criticisms as part of the consultative process with 54% of CSO agreeing.

Graphic 15. Participation in advisory / consultative bodies



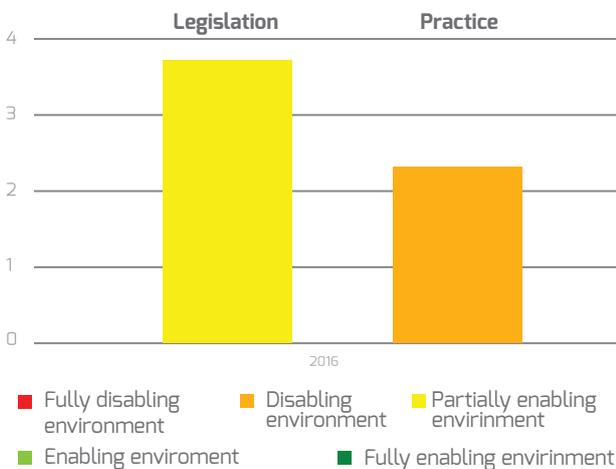
The assessment of Standard 3, of Sub area 3.2., reflects also the assessment of the following indicators of the EU CS Guidelines 2014-2020 . The findings based on the targets for each indicator are:

**3.1.a.** *Percentage of law/bylaws, strategies and policy reforms effectively consulted with CSOs in terms of:* - adequate access to information; - sufficient time to comment; - selection and representativeness / diversity of working groups; - acknowledgement of input; - degree to which input is taken into account; - feedback / publication of consultation results.

-There is no public information on the percentage of laws/bylaws, strategies and policy reforms effectively consulted with CSOs. According to 67% of the surveyed CSOs, there is lack of argumentation by state authorities explaining why their recommendations were not taken into consideration. Selection of CSOs in the consultative bodies is perceived as somehow transparent by 46% of the surveyed CSOs and as not transparent at all by 15% of the surveyed CSOs.

**Sub-area 3.3 Collaboration in service provision**

**Standard 1:** CSOs are engaged in different services and compete for state contracts on an equal basis to other providers;



There are no legal amendments to the Law for Public Procurement during 2016, which remains the main legal base for CSOs to participate in public tenders at any sector. The tendering rules are the same for CSOs as for private companies, with lower price as the main awarding criteria, which creates disadvantages for non-for-profit sector.

In addition, the Law on Social Enterprises no. 65/2016 was enacted in June 2016. It regulates the organisation and functioning of social enterprises, by defining the criteria for the status of the social enterprise. According to the law the social enterprise is a non - profit organisation, which is granted the status through the decision of the Minister responsible for social issues. The law provides forms of support for social enterprises such as state subsidies for the enterprises or employees in these entities, tax and donations. The Law encourages local government to stimulate participation of social enterprises in public tenders.

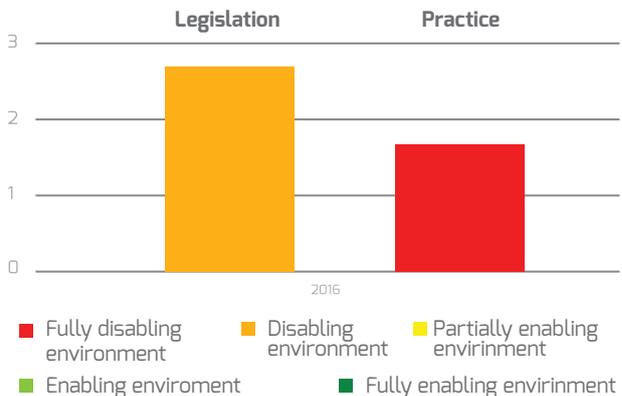
**Practice**

The practice shows that participation of CSO in public tenders remains very low with only 9 surveyed CSOs bidding and 4 being awarded (2 in social service provision, 1 in environment protection and 1 for production of artistic products.)

The reasons for not participating in public ten-

ders as stated by 91% of CSOs have to do with lack of information about public tenders, lack of trust on transparency of the process, lack of opportunities and supportive framework for CSOs to compete.

**Standard 2:** The state has committed to funding services and the funding is predictable and available over a longer-term period



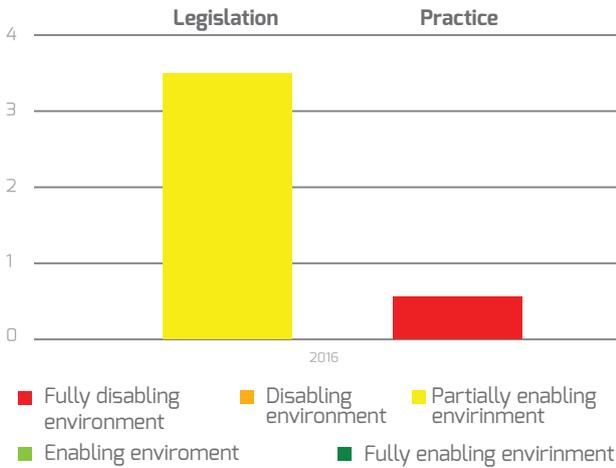
**Legislation:**

Funding services through state contract remain at low level and the legal tender rules and procedures impose barriers to organisations. Also, the state funds allocated for the services are for short term and CSOs could not be engaged in long term contracts. This is the same situation regarding government commitments to funding of various types of services as in the previous years. (MM Report 2015, 2014 & 2013).

**Practice:**

The situation remains the same at practice level. There is still a very limited number of CSOs benefiting public funding through public procurement procedures (only 4 out of 96 surveyed CSOs). The funds do not cover the basic costs of the services that CSOs are contracted to provide, there are delays in payments and there are short - term contracts.

**Standard 3:** *The state has clearly defined procedures for contracting services which allow for transparent selection of service providers, including CSOs*



**Legislation:**

The Law no. 9643, date 20.11.2006 On Public procurement, amended, does not discriminate any private or public entity to participate in open public tenders including CSOs. The awards are made based on two main criteria such as the lowest price and the most advantageous economic offer.

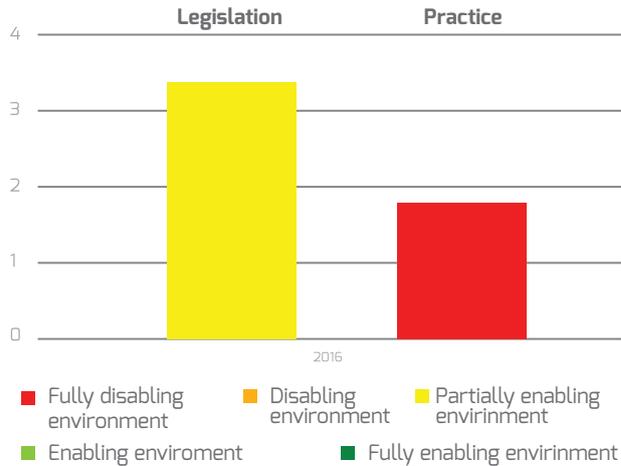
The right to appeal is guaranteed. The Law<sup>40</sup> provides 7 days standstill period for bidders to appeal to the contracting authorities and the contracting authority cannot continue the procurement procedures until the complaint is settled.

**Practice:**

The survey shows that 3 out of 4 CSOs managing public contracts through public tenders were engaged in the whole cycle of service delivery from design to delivery, while 1 organisation was involved only in the needs assessment.

There are several challenges identified by these organisations starting with excessive administrative requirements, expensive and complicated licensing procedures, delay in funding disbursements and lack of funding to cover overhead costs. These contracts foresee funding only for salaries of the employees.

**Standard 4:** *There is a clear system of accountability, monitoring and evaluation of service provision*



**Legislation:**

According to the legal framework, respective contracting authorities are entitled to exercise control and monitor the quality of the services and supervise financial management of the contract by the contractor.

**Practice:**

The CSOs awarded a contract confirmed they were not subject of excessive control by the contracting authority, and monitoring has been conducted according to the law with prior notification. But the evaluation is not focused on the quality and effects/ impact of services provided and is not publicly available.

40) Article 63

## V. Used Resources and Useful Links



### List of legal and strategic documents, report and analyses used

1. Constitution of the Republic of Albania [Online] [http://www.pp.gov.al/web/kush-tetuta\\_2016\\_1082.pdf](http://www.pp.gov.al/web/kush-tetuta_2016_1082.pdf)
2. Decision of Council of Ministers no. 953, dated 29.12.2014 "For the Implementing Provision on the Added Value in the Republic of Albania"
3. Directive no 22, date 19.11.2014 "For the Supervision of CSOs from Tax Authorities in Support to Prevention of Money Laundry and Financing of Terrorism".
4. Directive no 62, date 17.09.2015 "For the Announcement of the National Accounting Standards for Non – Profit Organisation and for its Mandatory Application" issued by the Ministry of Finance, Official Gazette 171/2015
5. Directive no. 6, dated 30.01.2015 "On VAT"
6. Law no 7995, Date 20.9.1995, for encouragement of Employment, amended
7. Law no. 7892, dated 21.12.1994 "On Sponsorship", amended.
8. Law no. 8778, dated 23.04.2001 "On Assemblies"
9. Law no. 8788, dated 17,05,2001 "For the Non – Profit Organisation", Official Gazette 23/ 2001
10. Law no. 8789 dated on 07.05.2001 "For the Registration on Non-Profit Organisations", Official Gazette 28/2001
11. Law no. 9228, dated 29.04.2004 "On Accounting and Financial Statements"
12. Law 92/2014, "On the Added Value in the republic of Albania"
13. Law no. 112/2015, dated 15.10.2015 "For Public Financial Inspections", Official Gazette 186/2015
14. Law no. 45/2016, dated 28.04.2016 On Voluntarism, Official Gazette 92/2016
15. Law 65/2016 dated 9.06.2016 "On Social Entrepreneurship", Official Gazette 118/2016.
16. Respublica (2015) Konsultimi Publik, Sfidat e Vitit të Parë të Zbatimit të Ligjit", pg. 29
17. USAID (2015), The 2015 CSO Sustainability Index for Central and Eastern Europe and Eurasia, pg. 15, [Online] [https://www.usaid.gov/sites/default/files/documents/1861/Europe\\_Eurasia\\_CSOSIReport\\_2015\\_Update8-29-16.pdf](https://www.usaid.gov/sites/default/files/documents/1861/Europe_Eurasia_CSOSIReport_2015_Update8-29-16.pdf)

### Useful Links

- URL: <http://www.amshc.gov.al>  
 URL: <http://freedomhouse.org/country/albania>  
 URL: <http://www.kultura.gov.al>  
 URL: <http://www.lotaria.al>

# VI. Annex 1



## MONITORING MATRIX ON ENABLING ENVIRONMENT FOR CIVIL SOCIETY DEVELOPMENT

STANDARDIZED QUESTIONNAIRE FOR 2016 MONITORING



BALKAN  
CIVIL  
SOCIETY  
DEVELOPMENT  
NETWORK

STANDARDIZED SURVEY QUESTIONNAIRE UNDER  
THE MONITORING MATRIX FOR  
CIVIL SOCIETY DEVELOPMENT

SEPTEMBER, 2016



**CENZURA PLUS**



**TÜSEV**  
Türkiye Üçüncü Sektör Vakfı  
Civil Society Foundation of Turkey



**ICPCD**  
Center for International Civil Society Development

Civic  
**Initiatives**



**VESTA**



# Questionnaire

*The questionnaire intends to contribute to comprehensive monitoring of the enabling environment for civil society development in the Western Balkans<sup>41</sup> and Turkey, and therefore, provide quality recommendations for the improvement of governmental policies. This questionnaire was developed to unify the minimum level of qualitative and quantitative data obtained from CSOs during the monitoring exercise. The aim of the standardized questionnaire is to gather general trends revolving around the three areas being monitored with the Toolkit for the Monitoring Matrix on Enabling Environment for Civil Society Development within the WBT region, by applying it in a uniform manner.. Whilst no survey that targets CSOs can be fully representative given the lack of official and conclusive data on CSOs demographics, this e-survey shall make efforts in approximating the estimations regarding CSOs representativeness in relation to:*

- *Field of operation of the organisation;*
- *Number of employees;*
- *Annual turnover;*
- *Geographical location; and*
- *Date of registration.*

*The authors do not aim to rely solely on the questionnaire in gathering data. Authors encourage country experts to supplement the data obtained with the questionnaire by utilization of other methods of data collection as per Proposed Methodology for the Country Assessments document, and obtain additional information from the CSO representatives.*

*All the answers to the questionnaire should relate solely to the period from December 1, 2016 to September 31, 2016 as the relevant monitoring period.*

*The questionnaire will take 30 minutes of your time, nevertheless, considering your important role in the civil society sector in Albania, your contribution will be of immense significance in conducting the 2016 monitoring exercise. We urge you to fill in the questionnaire no later than 30 October 2016. Should you have any questions, please do not hesitate to contact [partners@partnersalbania.org](mailto:partners@partnersalbania.org).*

*The questionnaire was prepared within the Project "Balkan Civil Society Acquis: Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs". The project is implemented by the Balkan Civil Society Development Network (BCSDN) and its members.*

41) Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia

## General Questions

1. Name of your CSO \_\_\_\_\_
2. Name of the Interviewee \_\_\_\_\_
3. Your position in CSO \_\_\_\_\_
4. The Location of CSO \_\_\_\_\_
5. Telephone \_\_\_\_\_
6. Email \_\_\_\_\_
7. Year of establishment \_\_\_\_\_
8. Year of registration \_\_\_\_\_
9. Type of your CSO
  - Association
  - Foundation
  - Center
  - Social Enterprise
10. Field of operation of your CSO (multiple replies possible)
  - Business
  - Women and Gender Issues
  - Environment
  - Children and Youth
  - Good Governance (Democracy, Human Rights, Rule of Law, Transparency, Anticorruption)
  - Human Rights
  - International Relations and European Integration
  - Culture
  - Education, Science and Research
  - Social Services
  - Health and Health Care
  - Information, Communication and Media
  - Services to People with special needs and disabilities
  - Other

10.1. Which from the aforementioned fields is the main field of operation during 2016?

\_\_\_\_\_

11. Number of employees/ engaged personnel

- Full time \_\_\_\_\_
- Part time \_\_\_\_\_
- Contracted \_\_\_\_\_

12. Number of active volunteers in 2016 \_\_\_\_\_

13. Annual turnover for the last financial year (2015):

- Less than EUR 5,000
- From 5,001 to 10,000 EUR
- From 10,001 to 50,000 EUR
- From 50,001 to 100,000 EUR
- From 100,001 to 500,000 EUR
- From 500,001 to 1,000,000 EUR
- Over 1,000,000 EUR

## Area 1. Basic Legal Guarantees of Freedoms Freedom of association

1. (ONLY for CSOs registered from January 1, 2016 to December 31, 2016): How would you characterize the registration procedure *(multiple replies possible)*:

	Agree	Somehow agree	Disagree
The registration procedure was easy.			
The registration procedure was inexpensive.			
The registration procedure lasted within the time limits prescribed by the law.			
The administrative requirements for registration were not a burdensome.			
Other <i>(Please, specify)</i> :.....			

1.1. Please explain and provide examples in case you faced any challenges during the registration procedure. ....

1.2. How many days did the registration process of your CSO take? (If you are not certain on the exact number, please provide an estimate) .....  
.....

1.3. How much did the registration procedure cost? .....

2. Did you experience any of the following during 2016? *(multiple replies possible)*

- Monitoring of communications by the Government (Skype, Facebook, etc.)
- Bans on internet forums
- Harassment of moderators of online groups

2.1. Please provide explanations and examples for all of the above that you experienced during 2016 .....  
.....

3. Is your CSOs part of a coalition, national/international network?

Yes  No

4. [For YES answers], from your CSO's experience, registration and participation in domestic/ foreign network(s) of CSOs is (multiple answers possible):

- Easy, without any extensive bureaucratic requirements
- Registration of a network is challenging but participation is easy
- Both registration and participation in a network is challenging, with extensive bureaucratic requirements
- Registration and participation in a foreign network is more difficult than in a domestic one
- Other (Please, specify) .....

5. Has your CSO faced any form of state pressure/unlawful state interference in the internal matters of your CSO during 2016?

Yes  No

5.1. [For YES answers], which of the following forms of state pressure/unlawful state interference did your CSO experience during 2016? (multiple answers possible)

- Excessive audit
- Intrusion to the organisation's premises
- Unannounced inspection
- Announced excessive inspections
- Unjustifiable limitation related to organisation's operation
- Illegitimate attack on the organisation
- Excessive control over organisation's internal regulations
- Discriminatory application of the administrative measures, including anti-money laundering regulations
- Limitations to receiving foreign funding
- Other (Please, specify): .....

5.2. Please explain each of the cases of state interference you experienced and provide examples  
.....  
.....

6. Did your CSO receive any sanctions?

Yes  No

6.1. [For YES answers], which of the following characterizes the sanctions you faced in 2016?

- They were unjustified and disproportionate to the type of violation

- They were justified but disproportionate to the type of violation
- They were justified and proportionate to the type of violation
- Other (Please specify): .....

**6.2.** [For YES answers], please give examples and/or explanation for the sanctions you faced during 2016. ....  
.....

**6.3.** [For YES answers] Did your CSO have the right to appeal on the sanctions?

- Yes, We used the right to appeal.
- Yes, but we did not use the right to appeal.
- We did not have right to appeal.

**6.3.1.** [For NO answers] Please explain why you did not use the right to appeal.

.....  
.....

**7. How would you characterize the financial and reporting requirements applicable to your CSO during 2016? (multiple replies possible)**

- They are easy and clear
- They are proportionate to the size and type of the organisation
- Neither of the above statements

**7.1.** You have selected „Neither of the above statements”, please explain

.....  
.....

**8. Does your CSO perform economic activities?**

Yes  No

**8.1.** [For YES answers] Did your CSO face any challenges when performing economic activities during 2016? (multiple replies possible)

Yes  No

**8.1.1.** [For YES answers] Which of the challenges did your CSO face when performing economic activities during 2016?

- Extensive administrative requirements
- Limited possibility to engage in economic activities
- Complicated accounting rules
- Complicated/burdensome tax treatment

- Complicated reporting and monitoring rules
- Other (Please, specify) .....

**8.1.2.** Please provide explanation and/or examples for each of the challenges you selected: .....

.....

.....

**9. Did your CSO receive funds from foreign donors in 2016?**

Yes  No

**9.1.** [For YES answers] Did your CSO face any challenges when receiving funds from abroad?

- Yes, additional obligations/approval from the state authorities compared to domestic funds
- No, you did not face any challenges
- Other (Please specify) .....

**9.1.1.** [For YES answer] Please explain and provide examples for the cases you faced challenges:

.....

.....

**10. Did your CSO receive contributions from domestic private donors (including individuals, legal entities and private foundations)?**

Yes  No

**10.1.** What is your experience with receiving contributions from domestic private donors?

- They are easy to receive, with no unnecessary cost or administrative burden for my CSO
  - The receipt constituted unnecessary cost/administrative burden for the organisation
  - Other (Please, specify) .....
- .....

**10.2.** Please provide explanation and examples for each case that you faced challenges in receiving funds from domestic donors during 2016: .....

.....

**11. Did you participate in an assembly, individually or through your CSO?**

Yes  No

**11.1.** [For YES answers] Please explain your experience/challenges you faced, by ticking the statements you agree with (*multiple replies possible*):

- There were excessive restrictions/limitations related to the place
- There were excessive restrictions/limitations related to the time of the assembly

- The law enforcement officers used excessive force over participants
- There were limitations for the media to access the assembly
- Other (Please, specify) .....

**11.2.** Please explain or give examples for restrictions/limitations of the assemblies: .....

.....

.....

**12. Did you, as an individual or through your CSO organize an assembly in 2016?**

- Yes
- Yes, even though our request was denied
- No
- No because our request was denied

**12.1.** [For YES answers] Was the assembly spontaneous, without notifying the state authorities?

- Yes  No

**12.2.** Did you face any challenge during the organisation of assembly?

- Yes  No

**12.3.** [For YES answers] Did you face any of the following challenges? (*multiple replies possible*):

- Complicated organisation with excessive administrative requirements
- Restrictions/limitations that were arbitrary
- Restrictions/limitations were not clearly explained
- You as an organizer faced unjustifiable sanctions before or after the assembly
- You or others from the organizers were detained
- Other (Please, specify) .....

**12.3.1.** Please explain all the challenges you faced: .....

.....

**12.4.** When you organized an assembly, was there a counter-assembly<sup>42</sup> organized?

- Yes  No

**12.5.** Did you feel protected at the assembly when the counter-assembly occurred?

- Yes  No

**12.5.1.** [For NO answers]: Please explain what were the reasons for you not to feel protected: ...

.....

**14. Did you or your CSO experience any of the following unlawful limitations to the freedom of expression?**

<sup>42)</sup> Counter-assembly is a form of assembly in which the participants want to express their disagreement with the views expressed by the other assembly.

	Regularly	Occasionally	Once	Never
Pressure for expressing criticism towards state authorities				
Prosecution for critical speech				
Threats for having opposing views				
Blocking the access to online communication tools				
Other (Please, specify):.....				

**16. Did you or your CSO experience any of the following unlawful limitations to your right to freely receive and impart information?**

	Regularly	Occasionally	Once	Never
Blocking websites, communication channels or any online platforms				
Unlawful monitoring of the communication by the state authorities				
Punishments for belonging to a social network group				
Other:.....				

## Area 2. Framework for CSO Financial Viability and Sustainability

### General information on CSOs financial viability and sustainability

17. Please indicate approximate percentage of income received by your CSO from diverse funding sources throughout last year (the total shall not exceed 100%)

Source of funding	2016 (in %)
Public funds	
Local Government funds	
Membership fees	
Individual donors	
Corporate donors	
Foreign funding mechanisms	
Economic activities	
Passive investment	
Endowments	
Other (Please specify).....	

18. Did your CSO manage to secure ongoing funding to sustain its activities throughout 2016?

- Yes
- Somehow, but with significant challenges
- No

18.1. [In case of Yes & Somehow] Please describe the challenges: .....

.....

### Tax/fiscal treatment for CSOs and their donors

19. Does your organisation have a VAT exemption for economic activity and what is your experience with it?

- Yes and the procedure to acquire the VAT exemption is easy
- Yes, but the procedure to acquire the VAT exemption is lengthy
- Yes, but the procedure to acquire the VAT exemption is complicated
- You applied and are waiting for the decision
- No, your application has been refused

- No, you do not want a VAT exemption because it does not provide any benefits in practice
  - No, you do not qualify for VAT exemption
  - No, you do not know what is a VAT exemption
  - Other (please describe): .....
- 19.1.** Please explain your experience: .....
- .....

**20. What kind of tax benefits supported the work of your CSO? (multiple replies possible)**

- Profit tax exemptions
- Tax incentives for your donors
- Tax incentives related to properties (buildings etc)
- Value Added Tax (VAT) exemptions
- Local tax benefits
- Tax benefits for passive investments
- Other (Please specify): .....

**20.1. How would you characterize the administrative procedures for acquiring tax benefits?**

- Very complicated
- Somewhat complicated
- Not complicated
- No tax benefits

**20.2.** For answers 1 and 2, please provide explanation on the type of tax benefits and its complications: .....

.....

**21. What do you consider as a main challenge for the development of philanthropy in your country? (in case you choose to tick more replies, please number them in a descending order, where 1 constitutes the most significant challenge )**

- Underdeveloped culture of giving
- Complicated legal requirements/administrative procedures
- Not stimulating tax incentives for donors in place
- Lack of public strategies/policies encouraging philanthropic giving
- Lack of CSO capacities to communicate with donors
- Non-transparent spending of funds resulting in lack of donors' trust
- Other (please describe): .....

**22. Are there tax incentives for donors in your country?**

Yes  No

Not familiar with the legal regulation of tax benefits for donors

**22.1.** [For YES answers] How would you characterize tax incentives for donors, in case there are any in your country?

They are sufficiently encouraging and easy to acquire

They are sufficiently encouraging but acquired through a complicated procedure

They are insufficient and acquired through a complicated procedure

Other

**22.2.** If you have any other comment regarding this question please specify below:

.....

**State support**

**23.** Did your organisation received funds from the state during 2016? (Local Government funding excluded)

Yes

No, because it has not applied

No, because it is refused

There are no open calls

You are not familiar with the possibility to receive financial state support

**23.1.** If yes, from which institution did it receive funds and how much was the amount of funds?

Institution	Amount of funds

**24.** Please explain the purpose for which you received public funding?

For specific project/activity

As an institutional support

As a co-financing for EU- or other donor funded- projects

Other (Please, specify) .....

**25. What is your CSO's experience with monitoring of public funds and its spending?**

*(multiple replies possible)*

- You had to submit a detailed report about the activities and expenditures
- You had an announced monitoring visit
- You had an unannounced monitoring visit
- You were not monitored
- Other (Please, specify) .....

**26. Do you agree or disagree with the following statements about public funding for CSOs?**

	Agree	Somehow agree	Disagree	Don't know
Public funding is sufficient and responds to the needs of CSOs				
Public funding is predictable based on the allocation from previous years				
Calls for applications are regular, at least once a year				
CSOs participate in the process of setting priorities for public funding				
Selection criteria are clear and publicly available				
Application requirements are not burdensome				
All the application forms are clear				
Decisions on tenders are fair, not in conflict of interest				
Decision on tenders are publicly announced				
Call for proposals are announced for the specific field of operation of our organisation				
Calls are announced publicly				
Calls contain enough information				
Information regarding the allocation of funds is published in details				

**28.** [For YES answers] Has your CSO received non-financial state support? (e.g. free rent of work premises, furniture, technical equipment etc.)

- Yes, you received through an open call
- Yes, you received after direct contact with state institutions
- No, you were rejected in the open call
- No, you were rejected after direct contact with state institutions
- You have not requested for non-financial state support
- Not familiar with the possibilities to receive non-financial state support
- Other (Please, specify) .....

**28.1.** [For YES answers] Please describe your experience: .....  
.....  
.....

**29.** Has your CSO applied for Local Government funds?

Yes  No

**29.1.** [For NO answers] What was the reason [for not receiving for local government funds?]

- There was no call
- My CSO did not need such support
- My CSO has not applied for local government funds
- The application is rejected
- I am not familiar with opportunities for local government funding to CSOs

### Human Resources

**30.** Did your CSO enjoy any benefits from governmental incentive programs for employment during 2016?

- Yes (Please, specify) .....
- No, because none of them were available for you
- No, because they were not interesting/stimulating enough
- No, because you did not hire any employees last year
- No, you are not familiar with the governmental employment policies
- Other (Please, specify) .....

**30.1.** Please describe your experience from such arrangements: .....  
.....  
.....

**31. Are you informed about the Law on Volunteering?**

Yes  No

**31.1.** If yes, how would you characterize it? *(multiple replies possible)*

	Agree	Somehow agree	Disagree
The legal framework stimulates volunteering engagement			
The administrative procedures are easy			
The administrative procedures are inexpensive			
The legal framework stimulates spontaneous volunteering			
The obligations for organizers prescribed in the law are reasonable			
The obligations for volunteers prescribed in the law are reasonable			
The procedure for foreign volunteers is the same as to domestic volunteers			

**Area 3. Government – CSO Relationship**  
**Framework and Practices for Cooperation**

**32. Are you informed about the existence of strategies for cooperation of the government with the CSOs in 2016?**

Yes  No

**32.1.** [For YES answers] Have your CSO participated in the implementation of the Strategy during 2016?

- Yes, it has participated in the implementation of the Strategy
- Yes, it has participated somehow in the implementation of the Strategy
- No, it has not participated in the implementation of the Strategy
- Not familiar with the existence of such strategy

**32.2.** [For YES answers] Please share your experience, including examples, from your participation in the implementation of the Strategy during 2016 .....

.....

**33. Are you informed about any specific state institution/body for cooperation of the government with the CSOs?**

Yes  No

**33.1.** If yes, which is this specific state institution/body and how would you evaluate the cooperation with this institution/body:.....  
 .....

**33.2.** Did your CSO communicate with the special state body/institution for cooperation with CSOs in 2016?

- Yes, regularly
- Yes, occasionally
- Not at all
- Other (please, specify) .....

### Involvement in policy and decision making processes

**34.** Has your CSO submitted request for access to information of public character in 2016?

Yes  No

Not familiar with the possibility to request access to information of public interest

**34.1.** [For YES answers] When requested information of public interest, you:

- Received data within the prescribed deadline
- Received data with a delay
- The request for information was rejected
- Received some of the requested information
- Did not receive feedback at all
- Other (Please, specify) .....

**34.2.** Please provide explanations and examples on the challenges you experienced with regards to request to access of information of public interest: .....

.....  
 .....

**35.** Based on your experience, do you agree, or disagree with the following statements?

	Agree	Somehow agree	Disagree
Draft-laws, policies are publicly available for the public			
Publication is publicly available in a timely manner			
Other (Please, specify) .....			

**37. Has your CSO been invited in participated in the process of policy and decision making in 2016?**

Yes  No

**37.1.** If yes, How would you characterize the processes of policy and decision making?

	Agree	Somehow agree	Disagree
CSO is consulted at an early stage, in the beginning of the legislative/policy process.			
CSO had sufficient time to respond.			
CSO has had the appropriate information on the content of the draft proposals.			
Majority of state officials in charge of drafting law have adequate capacities to draft laws and policies.			
Designated civil servants have provided useful advices/information on the consultation nor the overall process and plans.			
All the recommendations were reflected.			
A written feedback was publicly available after the consultations, including the explanation why the recommendations were/ were not accepted.			

**38. Have you initiated/attempted to initiate a dialogue with public authorities about a development of policy/legal document?**

- Yes and you received a feedback from the public authorities
- Yes but you did not receive any feedback from public authorities
- No

**38.1.** [For YES answers]Please share your experience and the result of your discussions?

.....

.....

**39. Was someone from your CSO elected to take part in an advisory/consultative body within the state in 2016?**

Yes  No

**39.1.** If yes, In how many advisory/consultative bodies have your representatives participated and please provide the names of such bodies? .....

.....

**39.2.** [For YES answers] Do you agree or disagree with the following statements? (multiple replies possible):

	Agree	Somehow agree	Disagree
The body had sufficient financial resources to facilitate the CSO-Government dialogue.			
The body had sufficient human resources to facilitate the CSO-Government dialogue.			
The body is active and frequently consults CSOs on draft laws and policies.			
CSO representatives are selected through a publicly announced and transparent procedures.			
The activities of the consultative body are announced promptly.			
Policy or laws which are being discussed are freely criticized without repercussions.			
The work of these advisory bodies is transparent.			
CSOs that participate in such advisory bodies share information with other CSOs regarding the work of the body.			

**40.** [For NO answers] What was the reason for no one being elected to take part in such advisory/consultative body?

- There was no public call in the area in which our organisation operates
- There are no such bodies in the area in which our organisation operates
- We have not asked to participate
- We did not wanted to participate
- We asked, but got rejected
- Other (Please, specify) .....

**Collaboration in Service Provision**

**41.** Has your CSO competed for the state contracts?

- Yes and it received the funds from the state contracts

Yes, but it did not receive the funds (please specify the reason):.....

No (please specify the reason): .....

**41.1.** [For YES answers] Please specify which state body, you received funds from and what was the provided service?

State institution	Service

**Please continue with the following questions only if you competed for the state contracts.**

**42.** Was your CSO involved in all phases of developing and providing services (needs assessment, selection, evaluation etc.)

Yes in all

Yes, but only in some (please specify which): .....

Not at all

**43.** Did your CSO face any challenge regarding the competition for state contracts?

Yes

No

**43.1.** [For YES answers] When competing for state contracts, did your CSO face any of the following challenges? (multiple replies possible)

Excessive administrative requirements

Complicated registration/licensing procedures

Exclusion from competition with no specific or objective reasoning

Excessive eligibility requirements putting for-profit organisation in an advantageous position

Limited availability of public tender in your area of engagement

The process was not transparent

Other (Please, specify) .....

**43.2.** [For YES answers] Please provide examples for all of the challenges you faced in competing for service provision: .....

**44.** [For YES answers] From your experience, how would you evaluate the funds received from state contracts?

Cover all the basic costs of the service provision, including proportionate institutional costs

- Cover all the basic costs of the service provision, but no institutional costs
- They are not sufficient even for covering the basic cost of service provision
- Other (Please, specify) .....

**44.1.** Please provide explanation and examples on selected statements: .....

.....

**45.** [For YES answers] From your experience, were funds from state contracts received in a timely manner?

- They are received on time
- They are delayed, causing challenges for continuous service provision
- They are delayed, but losses suffered by the delay are compensated
- Other (Please, specify) .....

**45.1.** Please provide explanation and examples on selected statements: .....

.....

Thank you for your contribution!



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